Education and the dynamics of skill formation regimes in South Asia

A study on training for the garment industries in Bangladesh and Sri Lanka

by
Markus Maurer

Advisors:

Prof. Dr. Philipp Gonon
Prof. Dr. Jürgen Oelkers
Prof. Dr. Jürgen Schriewer

Dissertation submitted to the Faculty of Philosophy of the University of Zurich
in partial fulfilment of the requirements for the degree of Doctor of Philosophy

Zurich, August 15, 2009

Overview of the chapters

Table of contents

List of tables

List of figures

List of abbreviations

ADB	Asian Development Bank
ATC	Agreement on Textiles and Clothing
B.A.	Bachelor of Arts
B.Sc.	Bachelor of Science
BEPZA	Bangladesh Export Processing Zones Authority
BGMEA	Bangladesh Garments Manufactures and Exporters Association
BKMEA	Bangladesh Knitwear Manufactures and Exporters Association
BNP	Bangladesh Nationalist Party
BOI	Board of Investment
BTMA	Bangladesh Textile Manufacturers Association
BUET	Bangladesh University of Engineering and Technology
CIMA	Chartered Institute of Management Accountants
CITI	Clothing Industry Training Centre
CTM	Cutting, Trimming, Making
DFI	Development Finance Institutes
DFID	Department for International Development
EC	(Delegation of the) European Commission
EPB	Export Promotion Bureau
EPZ	Export Processing Zone
EU	European Union
FDI	Foreign Direct Investment
FTZ	Free Trade Zone
FTZMA	Free Trade Zone Manufacturers Association
GATT	General Agreement on Tariffs and Trade
GCEC	Greater Colombo Economic Commission
GDP	Gross Domestic Product
GSP	Generalised System of Preferences
HSC BM	Higher Secondary Certificate in Business Management
HSC VOC	Higher Secondary Certificate Vocational
HSC	Higher Secondary Certificate

IFC	International Finance Corporation
ILO	International Labour Organisation
IMF	International Monetary Fund
ITAC	Industry Training Advisory Committee
ITC	International Trade Centre
ITUM	Institute of Technology of the University of Moratuwa
JAAF	Joint Apparel Association Forum
JVP	Janatha Vimukthi Perumana
LDC	Least Developed Countries
LDC	Less Developed Countries
MFA	Multi-Fibre Agreement
NAB	National Apprenticeship Board
NAEA	National Apparel Exporters Association
NAFTA	North American Free Trade Agreement
NAITA	National Apprentice and Industrial Training Authority
NCSU	North Carolina State University
NDT	National Diploma of Technology
NGO	Non-governmental organisation
NHRDC	National Human Resources Development Council
NIBM	National Institute of Business Management
NIFT	National Institute of Fashion Technology
NITESL	National Institute of Technical Education of Sri Lanka
NITTRAD	National Institute of Textile Training, Research and Design
NVQ	National Vocational Qualifications
NYSCO	National Youth Services Council
OBM	Original Brand Manufacturing
OECD	Organisation for Economic Co-operation and Development
OEM	Original Equipment Manufacturing
Rp.	Sri Lankan Rupees
RVTC	Rural Vocational Training Centre
SDC	Swiss Agency for Development and Cooperation
SEDF	South Asia Enterprise Development Facility

SIDA	Swedish International Development Cooperation Agency
SLAEA	Sri Lanka Apparel Exporters Association
SLFP	Sri Lanka Freedom Party
SME	Small and Medium Enterprise
SSC VOC	Secondary School Certificate Vocational
SSC	Secondary School Certificate
TDA	Trade and Development Act
TIDC	Textile Industry Development Centre
Tk.	Bangladeshi Taka
TQB	Textile Quota Board
TTC	Technical Training Centre
TTSC	Textile Training and Services Centre
TVEC	Tertiary and Vocational Education Commission
UGC	University Grants Commission
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UNP	United National Party
USAID	United States Agency for International Development
VTA	Vocational Training Authority
VTI	Vocational Training Institute

List of annexes

Acknowledgements

Research for this thesis was funded to a considerable extent by the Research Grant of the University of Zurich. I also wish to recognise the support extended to me by the Institute of Upper Secondary and Vocational Education of the University of Zurich, which has provided me with the infrastructure and with wonderful company to fulfil to my task.

Primarily, however, I am indebted to Philipp Gonon, who has been engaged in closely supervising this project. He gave me innumerable opportunities to discuss the work in progress, was proofreading many earlier drafts and has, above that, become a rich source of inspiration for this and potential further work. Similarly, I would like to thank Jürgen Oelkers, who taught me, at an early stage, how to engage in research on education and who, with his critical historical work, has strongly influenced my perspective on education and education policy. Furthermore, I am highly grateful to Jürgen Schriewer, whose personal interest in my work is one of the reasons why this research was conducted at all.

In the field, I am indebted to a number of persons and organisations, whose support was vital for me to exchange my ideas: In Bangladesh my thanks go to the Bangladesh Institute of Development Studies, to which I was associated as a research fellow for the time of my fieldwork there. In Sri Lanka, Siri Hettige and Athula Ranasinghe of the University of Colombo and Lakshman Jayatillake of the National Institute of Business Management were kind enough to frequently exchange on my work. Fieldwork was made even more interesting thanks to the support extended by Antoinette Hettiarachchi, Shuvro Rego and Mir Nazmul Islam, who all supported me with interpreting and translating.

In Bangladesh, I am also indebted to Tahsinah Ahmed, Thérèse Blanchet, Mahmudul Alam, Malte Lipczinsky, Mahboob Morshed, Marion Mitschke, Abu Sadat Muhammad Sayem and to Bipul and Tushar Kumar Sharkar. In Sri Lanka, I also wish to thank to Markus Bächler, Stefan Butscher, Reinhard Klose, Neavis Morais, E. Pararajasingham, Dharshi Thoradeniya, Hassen Saheed and Rita and Winnie Vedamuttu.

Furthermore, I would also like to thank Gherzi Textile (Zurich), which linked me to a number of important representatives of the industry in Bangladesh and Sri Lanka, and to Richard Doner, Amy Hunter and Katrin Kraus, who have commented on proposals and on earlier drafts of chapters in this study.

Lastly, my thanks go to Emma Lindberg. Without her thoughtful comments on many aspects of this study and without her patience with me becoming absorbed by this work at times when life could have been somewhat more relaxed, writing this study would have been far less worthwhile and enjoyable.

Part A The Framework of the Study

1 Introduction

1.1 The problem

Among policy makers, the larger public and most social scientists, there is little debate about the importance of skills for economic development and transformation, both in highly industrialised and less industrialised countries; to remain competitive in the era of globalisation, its is being assumed, nation states need to prepare their citizens for the requirements of the knowledge economy and to increasingly strive for "high skills".[1] In the last decade, these concerns have also been taken up by international organisations, for instance by the World Bank and by the International Labour Organization (ILO), by development economists and – subsequently – by governments of many developing countries.[2] In this context, authors have pointed out that the classical rationale for the global division of labour, according to which the abundant supply of cheap labour was considered to be a major comparative advantage for developing countries, needed to be substantially revised:[3] Lall, a leading development economists, argues that the global economy has been undergoing sweeping changes which would make it vital for industries in developing countries to become more "technology intensive", to improve productivity and to embark on a strategy to foster the skills of their labour force. The "new technological paradigm", Lall writes, "calls for more skills, for higher levels of skills and for different kinds of skills".[4] In a globalised economy, goods can be produced anywhere, as long as firms are in a position to recruit skilled employees. This "newer international division of labour", as it is being called by Hutchinson, seems to provide tremendous opportunities to developing countries, but it mainly implies that the industries in these countries need to become more competitive and thus require a highly skilled and productive workforce, even in traditionally low-skill industries such as the garment industry.[5]

---

1 For the concept of high skills see Brown et al. (2001); for elaborations on the knowledge economy from an economic perspective see Brown et al. (2003), Neef et al. (1998), Powell and Snellman (2004).

2 For World Bank publications on the requirements of the knowledge economy see Cuadra and Moreno (2005), Riboud et al. (2007); for comments by the ILO on the need for further investments into training see International Labour Organization (1999).

3 For an important study on the political economy of the global division of labour see Wood (1994).

4 Lall (1999), p. 3

5 Hutchinson (2004), p. 21; on rising competition in the global garment trade see Joshi (2002).

But how should this happen? How should developing countries, where industrialisation has started to be characterised by labour-intensive production processes that engage a high number of hardly formally trained employees on fordist shop floors, manage this transition towards higher skills? Representatives of the development community were fast to give advice; their counsels were, however, heterogeneous and reflected the different schools within economics of education which had evolved since World War II: the World Bank, which argued along the lines of neo-classical human capital theory, emphasised that governments should continue to place their priorities in primary and secondary education whereas vocational education and training was supposed to be left to the private sector, which may be motivated to invest into training through tax-incentives. Not only, the World Bank argued, were the rates of return for vocational education and training lower than for general education but also, its studies suggested that technological change was rather facilitated by open-door economic policies that attracted foreign investors, which would then bring in the technology and train the generally educated workforce on-the-job.[6]

In contrast to the World Bank, the ILO argued more along the lines of what had come to be known as manpower-planning theories in the 1950s and 1960s and pointed out that the formation of technical and vocational skills should not be left to the market, as its failures would result in underinvestment into skills. Public investment into vocational education and training was thus vital for far-reaching economic and structural change.[7] This position was backed by much research on the economic success of the East Asian Newly Industrialising Economies (NIEs), which was considered to be at least partly rooted in the respective governments making investments into training an integral part of their development strategies.[8] Governments in developing countries should therefore invest in "high skills" by expanding vocational education and training instead of leaving training to the private sector.[9] Others again, such as representatives of the Organisation for Economic Development and Coop-

---

6 For early writings by human capital theorists see Becker (1962), Schultz (1961); for publications de-legitimising investments into vocational education and training by applying rates of return analyses see Psacharopoulos and Loxley (1985), Psacharopoulos and Patrinos (2004); for respective publications by the World Bank see World Bank (1991), World Bank (1995), World Bank (1999); for studies emphasising the link between general education, FDI and technological change see De Ferranti and Perry (2003); for the World Bank's emphasis on tax incentives for training firms see, for instance, Adams (2007, p. 27).

7 International Labour Organization (1999), p. 67; on manpower planning theory see Hinchliffe (1994, p. 370), Psacharopoulos (1991).

8 Ashton et al. (1999), Green (2007), Morris (1996)

9 For the application of the "high skills" concept in, for instance, South Africa and Pakistan see Amjad (2005), Ashton (2005).

eration (OECD) pleaded for more pragmatic solutions and thus started to promote public-private partnerships in vocational education and training. In contrast to earlier periods, when international organisations such as the ILO made a case for apprenticeship training in developing countries, this new discourse on public-private partnership in training underlined the value of training centres, which were jointly funded and managed by representatives of the public and the private sector, and thereby often pointed to best practices in Southeast Asia.[10]

The dilemma of how best to prepare workers' skills for the changes in the global economy was thus addressed by either referring to universal models that narrowly assessed the rates of returns for different types of education and training programmes or by analysing "developmental state" skill formation strategies that rely on the role of strong, coordinating states – which is what is exactly lacking in most developing countries. But do these models, which emerged in contexts that – in fact – have very little in common with the political realities in many developing countries, contribute to an assessment of realistic strategies for "high skills"? This, to say the least, can't be taken for granted. What was and is lacking thus are studies which analyse how skill formation regimes in developing countries have evolved in changing contexts of the global division of labour. In fact, though many of the respective export-oriented manufacturing industries that were relocated over the course of the last couple of decades are highly labour-intensive and require few investments in technology, all industries know institutions that regulate – both within and outside firms – skill formation processes, which have often resulted from interactions between governments and representatives of the industry and are strongly interrelated with the education and training systems of the respective countries. For this reason, it might be equally important to analyse how governments and industrialists in developing countries have interacted to enhance the skills in traditionally low-skill industries and whether there were differences between countries that had strongly invested into general education and those which had done so to a lesser extent. In short, an understanding of how institutions have evolved might be helpful in order to judge how they may react to different proposals for reform.

---

[10] One of the most cited examples of best practice in training-related public-private partnership is the Penang Skills Development Centre (PSDC), which is jointly funded by employers and the Malaysian government. For respective reports by the OECD, the World Bank and the ILO see, for instance, Marchese and Sakamoto (2008, p. 16), te Velde (2002, p. 28), World Bank (2006b, pp. 59f).

One of the few theoretical elaborations on the evolution of skill formation systems in developing countries is provided by Ashton et al., who argue that many of these countries would – as a result of the pressure by the IMF for more economic liberalisation – have experienced the emergence of a neo-market model of skill formation. Previously established public skill formation systems, these authors argue, were marginalised by private training organisations catering to some of the labour-intensive firms backed by foreign direct investment (FDI) whereas locally owned factories would find it hard to attract formally trained, highly skilled employees, as the public training organisations started to be geared towards socio-political goals, e.g. to mainly train unemployed school leavers.[11] These authors thus suggest that, as a result of exogenous pressures and increasing economic globalisation, skill formation regimes in developing countries would increasingly converge along the lines of a neo-market model. This hypothesis may be plausible given the fact that there has been massive influx of FDI to many developing countries; but if one considers the evidence from the comparative literature on education and training we may doubt that convergence would be that pervasive and that exogenous social forces have been determining the trajectories of skill formation regimes to such a considerable extent.[12]

As, however, Ashton et al.'s hypothesis is far more comprehensive and concise than any other contribution to the literature on skill formation in developing countries, it will be the aim of this study to assess these authors' model by conducting a historical-comparative case study on the skill formation regimes of the garment industries in Sri Lanka and Bangladesh. It thus traces the institutional development of out-of-firm and in-firm skill formation arrangements and scrutinises their interrelations with the growth of the garment industries and with the expansion of the respective education and training systems, whose trajectories have been much more country-specific than those of the garment industries. It analyses the two cases in order to elaborate both case-specific and common paths, on the basis of which the hypothesis formed by Ashton et al. will be qualified by a set of contingent generalisations that underline the need to take the dynamics of the two very different education and training systems into account. The study will serve as a contribution to render reflections on the interrelation between education and training and economic change in developing countries more informed in times of tremendous transformations in the global economy.

---

11 Ashton et al. (2000), pp. 20f

12 See, for instance, Gonon (2004), Green (1999), Schriewer (2004).

Selecting two cases from South Asia is an important aspect of this study, as it aims at understanding dynamics which can be found in other developing countries; it is, thus, not its intention to develop a best-practice model. Such models have been promoted far too often, even though the political, economic and social context of the original practices may be very different from the context to where the models are being transferred. More often than not, the implementation of idealised models was thus riddled with tremendous difficulties, or failed entirely. Analysing skill formation processes in contexts that aren't characterised by a high degree of industrialisation and that lack coordination by strong state agencies may be quite useful in this regard.

1.2 Theoretical perspective

The research interest of this study is in line with the key problems addressed by the comparative education literature on developing countries, which has, for long, been engaged in systematically analysing the social dynamics underlying the historical trajectories of the respective education and training systems by looking at their endogenous development in specific national contexts, i.e. by studying their interrelation with other spheres of these societies, and by scrutinising the effects of exogenous forces on these systems. Much of the theoretically grounded comparative education literature on education and training in developing countries developed in the first decades after World War II and was rooted in grand sociological theory; reflecting the rationales of international organisations and the aspirations of many postcolonial governments, a considerable part of the early comparative literature on education and training systems was written from the perspective of functionalism and modernisation theory that regarded education as a sine-qua-non condition of social and economic development.[13]Much of this optimism was, however, curbed when governments, donor agencies and researchers had to realise that educational development had in most cases not resulted in rapid economic growth; this paved the way for dependency theories – partly in conjunction with sociological theories on social reproduction – to become an important backdrop for theoretical reasoning.[14]

---

[13] For early studies written from the perspective of modernisation theory see, for instance, Adams (1965), Hunt and McHale (1965); for a prominent complement from a socio-psychological perspective see Inkeles (1974). This optimism with regard to the overall effects of education is, as Oelkers (2003, p. 34) points out, inherent to educational theories more generally.

[14] On what was called the "world education crisis" see Coombs (1968); for texts from the perspective of dependency theory see Berman (1978), Irizarry (1980).

Over the course of the decades, however, and namely after the demise of socialism in the post-1989 era, these grand theories saw their foundations eroded in what had become to be known as development studies and also disappeared, to a considerable extent, from the comparative education literature; thereafter, it was mainly authors writing from a world-systems theory and postcolonial theory perspective, who continued to scrutinise some of the concerns of dependency theorists.[15] The demise of modernisation and dependency theories in the comparative education literature was followed by a relative decline in the interest in the overall relationship between education and societal and economic development. What became more important were, on the one hand, analyses of specific reforms and aspects of education systems in developing countries that were more pragmatic and lacked a historical-comparative perspective and, on the other hand, a surge of more theoretically inclined contributions which provided detailed analyses of the effects of increasing globalisation and internationalisation in the spheres of education and training systems.

Some of the major contributions have, thereby, emanated from a group of Stanford-based sociologists of education who write from a neo-institutionalist perspective and argue that the world-wide spread of mass education and of a global educational ideology resulted from the diffusion of institutionalised myths on the organisational features of nation states and that this process would, in the long run, lead to increasing convergence of education and training systems.[16] These writings generally don't delve into an analysis of intra-societal dynamics and economic dependencies – emphasised by modernisation and dependency theorists respectively – and thus challenge a tradition within comparative education that tends to emphasise nation-specific development paths or key characteristics of education and training systems following similar trajectories.[17] Even though many contributions to the comparative education literature indeed acknowledge the effects of globalisation and internationalisation, the neo-institutionalist arguments have sparked tremendous criticism: some

---

15 On the demise of modernisation and dependency theories see Kincaid and Portes (1994), Menzel (1991); on studies from a world systems perspective see Clayton (1998), Robertson (2005), Tikly (2004); for writings from a postcolonial perspective see Nieuwenhuis (1997), Roldán-Vera and Caruso (2007).

16 For early theoretical texts from the neo-institutionalist perspective see Fiala and Lanford (1987), Meyer and Rowan (1977); for later important contributions see Meyer et al. (1997), Chabbott (2003), Meyer and Ramirez (2000).

17 For a classical contribution that emphasises the persistence of historical trajectories of education systems see Green (1997); for a contribution that emphasises this persistence in the field of vocational education and training see Greinert (2005).

authors have criticised the core hypothesis – that global discourses and the diffusion of globalised models would increasingly lead to converging education and training systems – for ignoring processes of indigenisation and hybridisation of global models at the national and at the local level.[18] Others have argued that any analysis of the diffusion of global models in the field of education and training necessarily needs to scrutinise the political agendas and material interests of actors engaged in lending and borrowing these models.[19]

These are important points indeed. In line with these critics of neo-institutionalist reasoning, this study will argue that the trajectories of national education and training systems are generally strongly influenced by global models but are also highly path-dependent. It will demonstrate that even in the case of skill formation oriented towards an export-oriented, labour-intensive industry, whose industrial units operate in a global production regime, trajectories may be highly country-specific. In contrast to many critics of neo-institutionalist reasoning, however, the study is built on the assumption that endogenous forces shape education and training systems in ways that share many similarities across societies world-wide. It will argue that path-dependent processes are not entirely idiosyncratic and that these processes are often characterised by similar regularities that don't result from the impact of global level forces but rather from effects of the institutional structures of education and training systems. It is in this way that the study aims at analysing the complex interrelationship between education, training and industrial development.

In contrast to many macro-sociological theories of social change, this perspective, however, does not assume any evolutionary logic to underlie the development of education and training systems, even if there are regularities across societies.[20] It is rooted in historical institutionalism, a theoretical approach to social change which influenced the writings by historical sociologists and political scientists alike and emphasises that social processes can only be analysed if one scrutinises the multi-causal interrelationships between actors and institutions and the respective contexts.[21] In line with these theoretical rationales, I assume that historical trajectories of political economies are highly path-dependent and that as institutions in the various

---

18 See, for instance, Schriewer (2004), Silova (2005).

19 On the politics of borrowing and lending in general see Jones (2004), Steiner-Khamsi (2004), Steiner-Khamsi and Quist (2000); on the "international argument" in reforms of vocational education and training systems see Gonon (1998).

20 This argument has been brought forward by Archer (1982, p. 58).

21 Pierson and Skocpol (2002), pp. 696f

spheres of political economies and the actors operating therein are interdependent and involved into positive feedback mechanisms; I will, accordingly, regard skill formation regimes as outcomes of social agency and, at the same time, as institutional bases of further agency. As a further parallel with historical institutionalism, this study starts from an empirical puzzle: the differences between industry-specific skill formation regimes of developing countries which had invested into general education at an early point and of others which had done so to a later point, is a tremendously underresearched topic. It will, therefore, be through explorative and qualitative means that this historical-comparative case study aims at assessing the model suggested by Ashton et al. and at formulating an alternative set of contingent generalisations that explain the genesis and change of industry-specific skill formation regimes in developing countries.[22]

1.3 Case selection

A historical-comparative case study necessarily needs to specify its focus. This is no easy task given the fact that there are many industrial sectors which are undergoing the changes described in the first paragraphs of this introduction. At the same time, there are many potentially interesting regions and countries which such a study could scrutinise. Why, thus, study the skill formation regimes of the garment industries in Sri Lanka and Bangladesh? There are several reasons for this:

First, the garment industry is one of the most classical examples of a labour-intensive manufacturing industry, which was the starting point of industrialisation in many countries in the period after World War II, out of which some moved on to higher value-added industrial production. This labour-intensive industry has typically been associated with a low-skill workforce, but in the last couple of years, the importance of skill formation at various occupational levels of this industry has increasingly been emphasised in the literature. Several experts have pointed out that it will be important to overcome the skills shortage in this industrial sector, especially following the phasing out of the Multi Fibre Agreement (MFA) in 2005.[23] The focus on the garment industry will, obviously, enable me to posit the findings of this study into a broader historical horizon of economic development and of continuities and transfor-

---

[22] This argument is in line with Thelen's (2002, p. 95) plea to engage in regionally and historically specific middle-range theories that can, indeed, add up to something. On contingent generalisations, which – in contrast to theories – include an identification of their "scope conditions" see George and Bennett (2005, p. 77).

[23] See, for instance, Gereffi and Memedovic (2003), Joshi (2002), Palpacuer et al. (2005).

mations in the skill structure of the global division of labour. This will, furthermore, open up this study to similar research in other countries.

Second, the garment industry has become one of the most important economic sectors in developing countries in terms of total export earnings and strength of the total labour force, and this is especially so in the case of South and Southeast Asia.[24] From the perspective of policy makers and economic planners, this industry has not only crucial economic weight, but is strongly interrelated with numerous political and social concerns. Thus, concentrating on this industry will help to point out the strong interrelationship of skill formation for a specific industrial sector with other spheres of the respective political economies.

Third, following from both the global interconnectedness and the size of the garment industry, comes the strong tendency for its employers and employees to engage in collective action at the national level. This will not only make it easier to identify key actors, but will also facilitate linking this study to other academic work in the field of the political economy of skill formation and training in more industrialised economies, in which the importance of employers' associations and labour unions has been analysed in order to understand the respective processes of institutional genesis and change.

The cases, Sri Lanka and Bangladesh, were chosen along the lines of the method of "controlled comparison", i.e. the comparison of most similar cases "which, ideally are cases that are comparable in all respects except for the independent variable."[25] This method thus required two cases whose export-oriented manufacturing sector has become similarly dominated by one particular industry. In order to increase the similarities of the two cases, these countries furthermore needed to be located in a similar geographical region and to share – as the focus is on developing countries – a similar colonial past. To elaborate on the empirical puzzle outlined above, the cases had, however, to strongly differ in terms of educational development at the time of the main expansion of the industry. Sri Lanka and Bangladesh meet these requirements in an exemplary way:

First, the industrial structure of both countries is, to a considerable extent, dominated by the garment industry. Both countries not only belong to the 20 largest garment exporting economies in the world but are also among those whose garment

---

[24] Joshi (2002), p. 11

[25] George and Bennett (2005), p. 81

industries account for more than 50 percent of their economies' total merchandise exports.[26] Nowhere else in South Asia, which is one of the most important garment export regions in the world, is dependence on garments as high as in Sri Lanka and Bangladesh, which underlines that they are still peripheral economies dependent on imports of technology and capital from more industrialised countries.[27] In both countries, the export-oriented garment industry started to expand roughly from the same years, i.e. from the end of the 1970s and from the beginning of the 1980s respectively, which was mainly a consequence of the low labour costs but also of the quota regime that was imposed on the garment exports from East Asia.[28] This quota system would also contribute to the industries' lack of diversification, as they mainly exported comparatively simple and low value-added items.[29] Even though the garment industry became the most important export-oriented industry in terms of the total value of exports, both in Sri Lanka and in Bangladesh, its importance with regard to the labour market needs to be put into perspective: certainly, it became – especially for women – by far the most important employer in the manufacturing sector, but the garment industry's share in the total labour force of both countries has never exceeded 6 percent and 2.5 percent respectively.[30]

Second, both countries are located in the same geographical region – South Asia – and have a historical past that is similar with regard to one important aspect: both Sri Lanka, then Ceylon, and Bangladesh, then East Bengal, were administered by the British since 1796 and 1757 respectively, which led to the development of a dual economy and of a centralised administration that supported the colonial rulers in controlling economic activities and public life more generally.[31] In the aftermath of the colonial period, both countries started to suffer from increasing political and administrative fragmentation and are thus characterised by important features of what Migdal

---

26 In Sri Lanka, the respective share of the garment industry is at 51.7 percent; in Bangladesh it is at 75.9 percent; see United Nations Conference on Trade and Development (2005, pp. 3f).

27 Kelegama (2006), Sobhan (2002a)

28 In 1993, when the garment industry had become the most important export-oriented manufacturing sector in both countries, the average hourly labour costs in the garment industry were at US $ 0.35 in Sri Lanka and at US $ 0.16 in Bangladesh; see Joshi (2002, p. 14).

29 In 2001, four years before the abolition of the quota regime, quota-based exports accounted for 95 percent of all garment exports from Bangladesh; in Sri Lanka, the respective share was at 62; see Joshi (2002, pp. 13 & 16).

30 In 2002, the garment industry's share in total employment was at 6 percent; in Bangladesh, the respective figure was as low as 2.5 percent; see Kelegama and Wijayasiri (2004, p. 15), Saha (2003, p. 182).

31 On the beginnings of the colonial period see Baxter (1997, p. 27), De Silva (1981, pp. 210ff); on the development of colonial society and administration see the respective chapters in this study.

has labelled a weak state:[32] Bangladesh has emerged from the disintegration of Pakistan, which, prior to the war in 1971, encompassed East Pakistan – today's Bangladesh – and West Pakistan; today, the country suffers from the government's incapability to effectively implement administrative and economic reforms, to reduce patron-clientelism and thus to convince the entire population of its legitimacy.[33] Sri Lanka, which has been suffering from civil war since 1983, has been similarly described as a weak state in which patronage, clientelism and populist policies prevail.[34] Even those parts of the country, where the public sphere has been less affected by the ethnic conflict, have experienced breakdowns of the social order, following incidents of youth unrest in the early 1970s and the late 1980s.[35] In the war zone, the central state has, for many years, lost most of its ordering functions altogether.[36]

	Sri Lanka	Bangladesh
Adult literacy rate 1995-2005 (in %)	90.7	47.5
Children reaching grade five 2005 (in %)	92	65

Table 1: Adult literacy and children reaching grade five in Sri Lanka and Bangladesh[37]

These similarities of the two cases stand in contrast with regard to one major difference: the timing and the extent of educational expansion. Sri Lanka invested strongly into the expansion of its educational system in the aftermath of the departure of the British in 1947, thus becoming one of the first postcolonial countries to achieve universal primary education. In East Pakistan and, subsequently, in Bangladesh, state-sponsored educational expansion not only gained momentum much later but, so far, has never reached Sri Lankan standards, as table 1 amply demonstrates. Thus, by 2005, Sri Lanka's adult literacy rate was still close to double that of Bangladesh, whereas the drop-out rate at the primary level in Sri Lanka was close to 30 percent lower than in Bangladesh. The details can be seen in table 1.

Against the backdrop of these similarities and differences, this historical-comparative study on two cases will analyse how the skill formation regimes of the garment industries in Sri Lanka and Bangladesh have evolved over time. Given the

32 Migdal (1988), p. 5
33 Lewis (2004), p. 299, White (1999), p. 10
34 Dunham and Kelegama (1997)
35 Hettige (1995), Hettige and Mayer (2002), Richards and Goonaratne (1980)
36 Korf (2005), p. 213
37 United Nations Development Programme (2005), pp. 266-271

fact that the two countries differed strongly in terms of educational development at the time of the early expansion of their garment industries, we will, thereby, particularly scrutinise, in which way the different roles of the state in public education have affected the development of the skill formation regimes and whether these regimes converged, despite these tremendous differences, along the lines of what Ashton et al. have termed the neo-market model of skill formation.

1.4 Outline for the study

This study is organised around two extensive case studies on the skill formation regimes of the garment industries in Sri Lanka and Bangladesh. The remainder of Part A will provide more information on the framework of the case studies. It starts with a review of the literature on skill formation in developing countries that draws from a number of different disciplines and will then, in the next chapter, enter into an elaboration on theory and methods of this study. This chapter includes a heuristic model, which outlines the key concepts of this study, and formulates, on the basis of the model elaborated by Ashton et al., a set of hypotheses which will serve as a backdrop of within-case and cross-case analyses. Part A is succeeded by a brief, descriptive overview of the development of the textile and the garment industry – Part B –, which allows me to place the developments in Sri Lanka and Bangladesh in a larger historical and global context.

The case studies – included in the parts C and D – are structured around the analysis of the regimes under study. As the expansion of the garment industry in Sri Lanka preceded that in Bangladesh by a few years, the Sri Lankan case comes first. Chapters 5 and 9 provide an account of the evolution of the political and administrative regimes of the respective country since independence from the British in the late 1940s and thus include an overview of the broad lines of the postcolonial historical development. Chapters 6 and 10 delve into the development of the education and training regimes. The main focus is, thereby, on the postcolonial development of general, vocational and university education, although some remarks will be made on the colonial period as well. In these chapters, I address the differences in the trajectories of the two countries and thus prepare readers for the analysis of dissimilarities in the domain of skill formation. Chapters 7 and 11 examine the formation of the garment production regimes and thereby contribute to an important aspect of South Asian economic historiography, as, in fact, the historical trajectories of the industry, particularly with regard to the political-economic aspects, have hardly been studied in

the past. In order to underline the similar historical conditions under which these production regimes emerged, I use three different phases in the development of the global garment industry as landmarks in this process. These phases are defined by the timing of the imposition and of the removal of garment quota. A first section of this part is thus concerned with the development of the garment industry prior to the quota era, a second one with the quota era itself and a third with the time after 1995, when it was decided, in the context of the Uruguay Round process, that quotas would be gradually phased out by the year 2004. The chapters 8 and 12 scrutinise the historical development of the skill formation regimes. The first sections will focus on in-firm skill formation, the next ones on out-of-firm skill formation and will thus look at the skill formation programmes that began to be provided by various education and training organisations both in the public and the private sector.

Part E starts with a chapter that compares the empirical evidence from a stringently historical-institutionalist perspective. It will be here that the cases are analysed and compared by referring to the theoretical concepts elaborated in the chapter 3 of this study. The next chapter aims at assessing the model formulated by Ashton et al. A first section – again along the lines of historical-institutionalist reasoning – mainly focuses on country-specific trajectories and documents why there developed, in Sri Lanka, a comparatively high-skill formation regime whereas Bangladesh experienced the emergence of a comparatively low-skill formation regime. A second section then scrutinises common paths; it will be here that I will contrast the findings from the empirically grounded, historical-institutionalist elaborations with Ashton et al.'s hypothesis but also with theories of educational change from the comparative education literature in order to formulate a more confined set of contingent generalisations that theorise on the social dynamics underlying industry-specific skill formation regimes in developing countries more generally. To conclude, I will point to the major findings of the study and its contributions both to the literature on skill formation and to the larger debate on education, training and economic development.

2 Literature review

The literature on education and training in developing countries is broad and can be segmented along the lines of two different research foci: a first part of the literature is dedicated to analysing various aspects of general education at different levels, albeit from very different perspectives; the most prominent perspectives are rooted either in different fields of the education literature – e.g. in comparative education or curriculum studies – or in the economics of education, but the literature has also been tremendously enriched by sociology, psychology and anthropology. A second, much less extensive part of the literature on education and training in developing countries focuses on technical and vocational education and training (TVET), i.e. on the formalised transmission of skills for specific occupations, trades and technical professions, and has mainly profited from contributions both from comparative education and from economics. Most of the respective literature thereby scrutinises school-based vocational education and training at the secondary level that prepares students for specific trades and occupations at the craft level; much less prominent is research on different types of technical education that are aimed at preparing students for employment at the technician and at the professional level in industry. A further aspect of this second part of the literature focuses on training within firms.

The following literature review gives a brief overview of the second part of the literature on education and training in developing countries. Thereby, it does not delve into an analysis of the very heterogeneous conceptionalisations of technical and vocational education and training and the respective alternative terms, and uses the term “skill formation” in a narrow sense, i.e. to describe the formation of technical and vocational skills, and in alternation with the term “TVET”. Further explanations on the conceptionalisation of skill formation for the purpose of this study will be made in chapter 3, which deals with theory and methods. The literature review starts with an elaboration on the contributions made by economists, which dominate the literature on skill formation in developing countries, and goes on with contributions from a comparative education perspective. The chapter concludes with a section on the political-economic perspective, which will be an important part of the theoretical and methodical foundations of this study.

2.1 Economic literature on skill formation in developing countries

Given the fact that skill formation has become an important topic in development economics, on the basis of which both donor organisations and the respective governments legitimise their development strategies, the economic literature on skill formation in developing countries is more visible than that produced by comparative educationists. Certainly, much of this literature is not engaged in theorising on changes of skill formation regimes but still its insights have been politically highly influential and have become an important starting point for the writings on training by political economists which will be discussed in the last part of this chapter.

The economic literature on skill formation in developing countries can be segregated into a human capital perspective and a manpower planning perspective. The first perspective focuses on a model of private and social rates of return to education and training, which is rooted in the tradition of the neo-classical human capital theory and thus assumes that individuals, households or firms would behave under the conditions of "perfect information, freedom of movement, individual choice, optimi[s]ing and rational decision-making".[38] The model is, on the one hand, being applied in order to analyse the efficiency of different forms of schooling, for instance general secondary education and vocationalised secondary education. One of the most important respective studies is Psachoropoulos' and Loxley's work on vocationalised secondary education in Colombia and Tanzania, which was to legitimise the World Bank's withdrawal from the vocational education sector after the Bank had long regarded this type of education to be a means of boosting economic growth.[39] Since then, in fact, the larger part of the literature based on rate of return analyses has emphasised that both private and social returns to general education are higher than those to vocational or vocationalised secondary education and is thus very critical of further expansion of school-based vocational education.[40] Rate of return analyses are, however, also applied in order to scrutinise in-firm training in developing coun-

---

38 Scott and Marshall (2009a), p. 507; for the foundations of human capital theory see Schultz (1961).

39 Psacharopoulos and Loxley (1985); the World Bank's support of vocational education and training was reflected in several policy papers; see World Bank (1974, pp. 21f), World Bank (1980); later policy papers documented the World Bank's withdrawal from the vocational education and training sector; see World Bank (1991), World Bank (1995); these writings were subsequently bolstered by further studies, for instance by Psacharopoulos and Patrinos (2004).

40 For literature on education in developing countries applying the rate of return model see Asadullah (2006), Söderbom et al. (2006), Teulings and van Rens (2008); for critique of the rate of return analyses as applied by the World Bank, see, e.g. Bennell (1995), Kahyarara and Teal (2008), Klees (2002), Lauglo (1996), Moenjak and Worswick (2003).

tries. This school's perspective on training has been tremendously influenced by Becker, who discussed the different types of investment into human capital by putting the supposedly rational behaviour of individual firms and their employees, operating in a competitive market environment, at the centre stage of his elaborations.[41] According to Becker's model, employers, under ideal market conditions, are prepared to invest into work-specific skills, as the rates of return are highest for this type of investment. Consequently, basic general skills would have to be provided by the public general education system, whereas employees would invest in higher education and training, for which the respective private returns are highest. Again, it is the World Bank and professionals closely interacting with this organisation, which – on the basis of Becker's findings – have executed and evaluated country-specific tracer studies and industry surveys and have used them to underline the need for sound academic general education and for incentives for more comprehensive on-the-job training.[42]

The neo-classical human capital approach to education and training contrasts with the more static manpower planning theories, whose elaboration was strongly influenced by the rationales of socialist economic planning and was underlying the skill formation strategies of many developing countries in the early postcolonial period. These theories assume that one of the central aspects of economic planning is to match economic demand for skills with respective supply and that the absence of planning efforts would lead to imbalances.[43] Even though the theoretical base of this approach eroded following the spread of neo-classical models in the economics of education and training from the 1970s onwards, it still influences country-specific studies on the training needs of entire economies or of specific industrial sectors in developing countries.[44] It is this type of studies, which have addressed training aspects of the textile and garment industries in both Sri Lanka and Bangladesh.[45]

---

41 Becker (1962), Id. (1964)

42 For Business Climate Surveys, in which the evidence produced by such studies was published see World Bank (2005c), World Bank and Asian Development Bank (2005), World Bank and Enterprise Institute (2003). On the link between education, training and the labour market see Psacharopoulos and Patrinos (2004), World Bank (1999).

43 Hinchliffe (1994), p. 370

44 For training needs analyses in developing countries see Debrah and Ofori (2001), Debrah and Ofori (2006); on more recent approaches to manpower planning see Richards (1994, pp. 4f).

45 For training needs analyses on Sri Lanka see Tertiary and Vocational Education Commission (2007b); for training needs analyses on Bangladesh see Dr. Martelli Associates (1998), Khan (2007).

2.2 Comparative education literature on skill formation in developing countries

Whereas the economic literature contains little evidence on the dynamics of skill formation regimes in developing countries, some contributions to the comparative education literature have produced theoretical and empirical evidence in this regard. This body of literature, however, is small compared to the comparative education literature on general education and to the economic literature on skill formation, and it generally reflects the more overarching debates in comparative education.

The comparative education literature on skill formation in developing countries gains, on the one hand, from studies that concentrate – partly from a historiographic perspective – on the idiosyncratic features of specific training systems, for instance in South Asia.[46] On the other hand, there are a number of contributions that have been written from a more theoretical or programmatic perspective, one strand concentrating on the exogenous factors of change, and another strand focusing more on endogenous factors. The literature scrutinising exogenous factors was, in its early days, strongly influenced by dependency theory and thus studied the implications of colonial and postcolonial education and training policies for the development of skills by underlining centre-periphery relationships and the hegemonic role of global capital from the West.[47] The more contemporary literature that underlines the effects of exogenous factors on colonial and postcolonial education and skill formation policies has also been enriched by postcolonial perspectives that deconstruct the policy discourses and scrutinise their indigenisation by particularly emphasising the legacy of colonial structures.[48] Whereas these contributions focus on the impact of exogenous forces on specific countries, there also emerged, given the fact that the direct control by states in the West over the political development of developing countries has declined since de-colonisation, a high number of contributions on TVET that underline, though from different theoretical perspectives, the important role of international or-

---

46 For literature on the structure of technical and vocational education and training systems see the respective series by UNESCO, e.g. Rafique (1994b), UNESCO Regional Office for Education in Asia and the Pacific (1984), UNEVOC (1996); for historiographic literature on Bangladesh see Jalil (1998), Peshkin (1963); for respective literature on Sri Lanka see De Silva (1969), Dore (1973); for respective literature on India see Crane (1965), Mookerjee (1944).

47 See, for instance, King (1971); for a more recent contribution from a dependency theory perspective see Singh (2001); for literature on general and higher education from a dependency theory perspective see Altbach (1989), Berman (1978); for an overview of comparative education literature by dependency theorists see Noah and Eckstein (1988).

48 For studies from a postcolonial perspective that also delve into vocational education and training see Burnett (2004), Madeira (2005).

ganisations, particularly of the World Bank, in discourse formation and their impact on policy-related decision making.[49]

One of the most radical accounts of the encompassing effect of exogenous factors on education and training systems, the neo-institutionalist school in comparative education, however, hardly focuses on the influence of specific national or global actors as such; representatives of this school argue that the increasing convergence of education and training systems world-wide is neither the result of economic changes nor – in developing countries – of subjugation by Western powers but of the diffusion of Western organisational myths and of world-wide ideological currents that leave very little scope to nation states for autonomous educational planning and that thus undermine the legitimacy of idiosyncratic features of education and training systems.[50] When it comes to change of TVET systems as such, this perspective has been less prominent; in one of the few neo-institutionalist analyses of vocational education and training systems, Benavot, however, suggests that converging trends in the development of such systems do not mainly reflect the distribution of power between different countries but rather result from the world-wide ideological currents described by neo-institutionalists. In his study on trends in vocational education between 1950 and 1975, this author documents a word-wide decline of enrolments into diversified secondary education and, thus, into vocational education, a decline that was particularly prominent in Africa, the Middle East, Latin America and Western Europe; this trend he relates to the central role of individualism as a normative prescription of both highly industrialised and developing countries that stands in strong contrast to diversified secondary education and its vocational tracks and that thus furthers the development of non-tracked, academic secondary education systems.[51]

In contrast to these contributions which focus on the influence of exogenous factors, other strands within the comparative education literature scrutinise the effects of

---

49 For detailed accounts on the evolution of the World Bank's education and training policies see Jones (1997), King (2003); on training policies of further donor organisations see the comprehensive literature on the diffusion of the German model in skill formation, e.g. Greinert (2001), Kempner et al. (1993), Mayer (2001). For literature on international organisations written along the lines of dependency theory see Punchi (2001), Tabulawa (2003); for a critical analysis of the discourse on the knowledge economy and its effects in the field of education and training see Dale (2005), Robertson (2005); on the diverging policies of different donor organisations in a specific national context – South Africa – see McGrath et al. (2006, p. 87).

50 For literature on developing countries inspired by neo-institutionalist reasoning see Chabbott (2003), Inkeles and Sirowy (1983), Meyer and Ramirez (2000), Nagel and Snyder (1989), Resnik (2006).

51 Benavot (1983), p. 73; for a similar perspective emphasising the spread of Western paradigms in vocational education see Watson (1994).

endogenous factors on the development of skill formation regimes. Many of the respective arguments have developed in the context of the debate on the vocationalisation of education in developing countries in which authors assessed a strategy that aims at enriching secondary education curricula with practical, vocationally oriented contents. Many governments introduced such reforms with the proclaimed aim of making education more relevant for the needs of the labour market, increasing the skills of young people and lowering their high occupational aspirations – and often failed in doing so.[52] Some of the more theoretically inclined contributions to comparative education have interpreted both government policies and the difficulties of implementing them from the perspective of sociological theories on the role of education in the reproduction of societies, in short, theories which are generally influenced by neo-Marxist writings on social change.[53] These contributions underline that the dominant classes in developing countries have used vocationalisation of secondary education as a means to channel the lower classes to the lower segments of the labour market and to thus restrict entry to the more elitist educational programmes that prepared students from the socio-economically more privileged social strata for the upper echelons of the world of work.

In contrast to these neo-Marxist writings, other writers have analysed the implementation of vocationalised secondary education and of its difficulties from a distinctively structural-functionalist perspective that considers the emergence of education and training systems as resulting from technological change and from – what Foster, the key representative of this strand of research, calls – "increasingly complex occupational differentiation."[54] Accordingly, this author states that the problems related to vocationalised secondary education, i.e. the "vocational school fallacy", are rooted in the fact that the function of education is perceived by both students and their parents to be a gateway to the modern sector of the economy and that, therefore, vocational education has less social status and thus struggles with creating social demand for

---

52 For an early, very prominent text that underlines the advantages of vocationalising education see Balogh (1969); on the different rationales behind the vocationalisation of education see Bacchus (1988, pp. 35f), Dore (1973), Lauglo and Närman (1988).

53 For governments trying to hinder lower classes in becoming socially mobile through vocationalisation of education see Bacchus (1988, p. 35); for a neo-Marxist analysis of a respective reform in Sri Lanka see Lewin and Little (1982); for an analysis of Education for Self-Reliance in Tanzania that is rooted in neo-Marxist reproduction theory see Ergas (1982); for a seminal neo-Marxist study on US education policy, which has tremendously influenced research on education in developing countries, see Bowles and Gintis (1976).

54 Foster (1977), p. 212; for a classical structural-functionalist approach to educational change see Smelser (1985).

the respective credentials.[55] In conjunction with the then very prominent sociological and economic literature on credentialism and the signalling effects of educational qualifications, he therefore suggests that the ever increasing social demand for education and the respective credentials has become one of the key endogenous factors underlying educational development in developing countries.[56]

Over the course of the next decades, these two macro-sociological approaches to social change – neo-Marxism and structural functionalism – would lose considerable ground in the comparative education literature on skill formation, a process which was pervasive in comparative education more generally and reflected an overall trend in sociological and political science literature on developing countries.[57] Furthermore, many of the more recent theoretical contributions to comparative education from post-modern, post-structuralist and postcolonial perspectives have hardly had any impact on the comparative education literature on skill formation in developing countries.[58] Certainly, endogenous factors underlying change of skill formation systems went on to play an important role in this body of literature. But with the recession of the grand sociological theories, research began to focus more on specific aspects of TVET. Linkages between vocational education and training and the labour market continued to figure prominently within the literature. Notably the arguments by Foster would be taken up by a high number of authors, some of which have also shown that, depending on the structure on the labour market, social demand for credentials from vocational education could also increase.[59] Other studies more pragmatically focus on the technical aspects of vocational education and training, for instance on the development and implementation of curricula.[60]

---

55 Foster (1965); this argument would, later on, become important for many advocates of the World Bank's withdrawal from vocational education; see, for instance, Psacharopoulos (1987). On credentialism in the vocational education systems of more industrialised countries see Grubb (2008, p. 121).

56 For literature on credentialism in developing countries and on what became labelled as over-education see Foster (1992), Irizarry (1980); for sociological and economic literature on credentials see Bedard (2001), Keep and Mayhew (1996), Lange and Topel (2006), Spence (1973), Van Der Ploeg (1994).

57 On the crisis of macro-sociological theories in research on developing countries see, for instance, Kincaid and Portes (1994), Menzel (1991); for a review of macro-sociological theory building in comparative research on education in developing countries see Ball (1981).

58 On post-structuralist, post-modernist and postcolonialist approaches in comparative education see Crossley and Tikly (2004), Ninnes and Burnett (2003), Tikly (2001).

59 King and Martin (2002), p. 24, Lauglo and Närman (1988); on the importance of Foster's arguments in the debate on vocationalised secondary education see Tilak (1988).

60 For studies on curricular reforms see, for instance, Osei (2003), Powell (2001).

The decline of macro-sociological theories in the comparative education literature on skill formation was paralleled by the decreasing visibility of this literature in the overall debate on skills formation in developing countries. Today, the literature on skill formation in developing countries is thus mainly influenced by the neo-classical models of economists of education. The reasons for this marginalisation are manifold. Two of them are particularly crucial: first, economists have developed coherent models which are fairly well established within the discipline itself and were easily communicated to the larger community of development experts. Second, comparative educationists have largely focused on formal technical and vocational education and training and thereby neglected firm-based skill formation, the analysis of which was largely entrusted to economics.

The first problem, the lack of coherent models, is rooted in the fact that many of the earlier macro-sociological models on educational change have proved to be far too static to explain the dynamics of education and training systems and that there have been – at least with regard to the literature on skill formation in developing countries – only sparse, if not to say deficient attempts to fill this void. For this reason, I will briefly introduce readers to Archer's elaborations on the social origins of educational systems, which systematically analyse temporal processes as critical factors in the evolution of education and training systems and thus represent a viable alternative to more static, functionalist or teleological explanations. The second problem, the fact that much of the comparative education literature on skill formation in developing countries has, in the last decades, mainly concentrated on school-based vocational education, reflects a tendency in the comparative education literature on skill formation more generally.[61] Therefore, I will briefly delve into the systems theory inspired contributions to the Germanophone vocational education literature, which analyse more comprehensively than any of the before-mentioned strands of research both in-firm and out-of-firm skill formation processes.

In her writings on the social origins of educational systems, Margaret S. Archer develops a model of educational change on the basis of an empirical study of educational expansion in England and France and traces the patterns of interaction between human agency and social structure in different phases of the system's genesis and transformation, each of which is characterised by different constellations of key

[61] For prominent contributions to the comparative education literature on vocational education and training in more industrialised contexts see Finlay (1998), Green (1995), Green et al. (1999a).

actors and pre-structures the institutional context of further educational expansion.[62] The first phase of educational development is characterised by an initial supply of educational opportunities, i.e. schools, which are opened by competing group actors – for instance religious groups – that aim at increasing their political influence.[63] Whereas in this phase, private actors, i.e. students and their parents, react atomistically on educational opportunities, social demand for education increases in the next one, the growth phase, which is thus characterised by increasing co-agency of private actors. Social demand, Archer argues, is driven by the fact that educational credentials become important for social mobility, which in turn further spurs supply of educational opportunities at the secondary and at the tertiary level and subsequently leads to the state becoming a key supplier of educational opportunities.[64] In this phase, political pressure emanating from lower classes and their political representatives leads to existing restrictions for educational expansion being further reduced.[65]

The third phase is characterised by the inflationary value of educational credentials: acquiring such credentials has become necessary to enter the labour market but, now, the socially more prestigious employment opportunities are increasing their educational entry barriers.[66] Group actors which call for less rapid expansion of educational opportunities will find it difficult to make their voices heard, as students and their parents but also the teaching profession will press for further educational expansion; furthermore, these actors, namely the representatives of the profession, will influence the contents of education and will thus make it increasingly difficult to orient curricula towards aims that reflect non-educational criteria that used to be important in the first phase of educational expansion.

In contrast to neo-Marxist or structural-functionalist theories of educational change, the expansion of educational systems is not being ascribed to changes in political-economic structure but to the dynamics which have been sparked by the genesis of the system itself. The growth of educational system, Archer writes, does thus not embody logic but it still displays regularities.[67] Similarly to functionalist and neo-Marxist theories, Archer's studies have influenced the comparative literature on edu-

---

62 Both empirical findings and theoretical elaborations can be found in Archer (1979); the following citations will, however, refer to an article, which condenses the evidence from the book of 1979.
63 Archer (1982), p. 9
64 Ibid., pp. 37f
65 Ibid., p. 31
66 Ibid., p. 39
67 Ibid., p. 58

cational change, i.e. notably the writings of those authors who were placing high emphasis on the importance of endogenous factors for educational change but were looking for alternatives to the two above-mentioned, more static macro-sociological approaches. Archer has, in fact, also inspired studies on education in developing countries but has, so far, not been referred to by studies on skill formation on TVET in these social contexts.[68]

Whereas Archer's approach points to the structural elaboration of education systems over time, the systems theory inspired contributions to the Germanophone comparative vocational education literature, brings in one further important element: a comprehensive theoretical approach to both in-firm and out-of-firm skill formation processes. In fact, whereas much of the comparative education literature on skill formation concentrates on school-based vocational education, this confinement is less pronounced in this body of literature. One important reason for this particularity is certainly the dual system of apprenticeship in Germanophone countries, which requires researchers to comprehensively scrutinise different sites of learning and their respective societal contexts. A further important reason lies, however, in the unabated importance of macro-sociological approaches to vocational education and training, notably of the systems theory perspective inspired by Niklas Luhmann; in the tradition of structural functionalism and thus partly in line with the above-mentioned arguments by Foster, this strand of research assumes that social change in modern societies needs to be understood as related to a complex process of differentiation of social subsystems that are defined by their functions for the overarching social system.[69]

According to this perspective, skill formation within production units would thus be governed by the aims and rules of the economic system, whereas skill formation taking place within schools would follow the aims and rules of educational systems; necessarily, respective changes would be influenced by dynamics within both systems.[70] Moving beyond the sites of learning, authors arguing from a systems theory perspective point out that national policy making in the field of vocational education and training similarly occurs in the intersecting realm of education and economic pol-

---

68 Green (1990), pp. 67-75, Schriewer (1999), pp. 100f; for a study on educational change in a developing country – Sri Lanka – that refers to Archer see Little (1999).

69 Luhmann (2002), pp. 13f; much of the literature on vocational education and training inspired by the systems theory perspective often refers to Luhmann and Schorr (1979).

70 For a systems theory perspective on firm-based and school-based training see Kell (2006).

icy and that it is being influenced by actors operating in both policy domains.[71] These latter contributions are – even though their influence on the comparative education literature on skill formation in developing countries is very limited – an important complement to the comparative education literature on TVET, as they systematically analyse the interdependence between training and the educational and economic systems from an overarching theoretical perspective. In this regard, they are akin to political-economic writings, which have, in the last few years, considerably contributed to a better understanding of the historical development of skill formation regimes in more industrialised countries. In contrast to the latter contributions to the literature, however, this body of research, which is going to be delved into in the remainder of the literature review, generally does without a reference to macro-sociological models of social change and thus might be more readily applicable for an analysis of industry-specific skill formation regimes in developing countries.

2.3 Political economists on skill formation

Since the beginning of the 1990s, the literature on the development of skill formation regimes has been tremendously enriched by political economists. Interested in understanding the effects of national economic and political strategies on economic development, these authors began to analyse the institutional context of production systems and thus increasingly emphasised the important role played by country-specific skill formation regimes.[72]

One of the political-economic approaches which have already found their way into the comparative education literature is the literature produced by Ashton et al. on the political economy of skill formation that relates the respective social processes to their geo-political context.[73] The main focus of this work is on East Asian NIEs, i.e. on Taiwan, South Korea, Hong Kong and Singapore, which, as Ashton et al. argue, have been able to ensure the constant supply of human resources necessary for rapid industrialisation because the respective national level agencies in these countries could retain a high degree of "relative autonomy" vis-à-vis capital and labour.

---

71 For an analysis of vocational education policy from a systems theory perspective see Münch (2006); for historical-comparative research on TVET from a systems theory perspective see Deissinger (1992), Harney and Schriewer (1998), Harney and Zymek (1994); for reflections on the position of the systems theory perspective in the Germanophone literature on TVET see Lange (1999); other contributions to the Germanophone education literature on TVET that refer to other theoretical traditions similarly analyse the interaction of actors from the economic and the educational spheres of specific societies; see, for instance, Gonon (2001), Greinert (2006).

72 For a review of some major contributions see Lauder et al. (2008).

73 Ashton et al. (2000), p. 21

This developmental state model skill formation is, the authors suggest, distinct both from the market model of skill formation – in the US and Great Britain – and from the corporatist model of skill formation – e.g. in Germany – which places more emphasis on consensus between labour, capital and state agencies.[74]

The developmental state model of skill formation is, however, also distinct from a model of skill formation that is, according to Ashton et al., prevalent in many developing countries that had to undergo – upon pressure by the IMF – far-reaching structural adjustment programmes and to thus open their economies to foreign capital. Many of these countries, Ashton et al. argue, had previously invested in public skill formation organisations which were interrelated with the growth of import-substitution oriented industries. With the advent of economic liberalisation, the basis of these latter industries and thus of state-funded skill formation eroded and there emerged a new model of skill formation that reflected the disjuncture within the economies of these countries: On the one hand, the growth of export-oriented, FDI-backed industries led to a market for private training organisations which catered to the upper echelons of the foreign-owned companies; on the other hand, public training organisations were geared more towards socio-political goals and thus were aimed at training unemployed school leavers and those in the informal labour markets.[75]

As the pressure by IMF was enormously pervasive, these writings thus suggest that there would be an increasing *convergence of skill formation systems in developing countries* towards the neo-market model of skill formation, which makes it increasingly difficult for these states to coordinate skill formation processes and thus to move towards a high-skill economy more generally. It is these texts which, on the one hand, are some of the few which do indeed theorise on the emergence of skill formation regimes in developing countries from a historical-comparative perspective. On the other hand, the writings by Ashton et al. have inspired a few studies on the development of skill formation regimes in developing countries, one such example being the relatively recent but growing body of literature on vocational education in South Africa. In these texts, historical analysis, though contextualised, is, however, hardly aimed at further developing theories on genesis and change of skill formation regimes but rather at using the development state model of skill formation – as portrayed by Ashton et al. – as an ideal blueprint for skill formation strategies in develop-

---

[74] Ashton (2002), p. 137; for further contributions from this body of literature see Ashton (2002), Ashton and Green (1996), Ashton et al. (1999), Ashton et al. (2000), Green et al. (1999b).

[75] Ashton et al. (2000), pp. 20-22

ing countries and thus at demonstrating the political need for higher state involvement in skill formation so that South Africa could move towards a high-skills regime.[76]

The writings by Ashton et al. on skill formation regimes, particularly those on the developmental state model of skill formation, have been criticised for being overtly static and for not taking institutional change sufficiently into account. Ritchie, in his study on the skill formation regimes of Southeast Asian NIEs, for instance, emphasises that the focus on the isolation of governments from other societal forces cannot explain the emergence of strong developmental states and thus of comprehensively coordinated skill formation regimes. Rather, he argues, the analysis needs to focus on alliances between state agencies and both capital and labour which lie at the bottom of developmental states. Furthermore, Ritchie criticises Asthon et al. for lumping all developmental states into one homogeneous category and for thus neglecting differences in developmental strategies and institutional structures. For this reason, Ritchie analyses the critical junctures that have enabled the formation of different kinds of alliances between the state, entrepreneurs, labour and academia.[77]

Ritchie's critique is in line with the Varieties of Capitalism (VOC) literature, which has become one of the most important approaches to the development of skill formation regimes in highly industrialised economies and aims at theorising on "the institutional foundations of comparative advantage" of a number of highly industrialised economies and resonates with earlier work on the institutional conditions of different production regimes.[78] In contrast to Ashton et al.'s writings, these authors attribute, as do the neo-classical economists, firms a central role in their model but argue that their successful performance and competitive behaviour in the market depend on institutions that are specific to national political economies, which tend to be oriented towards one of two poles that are represented by liberal market economies (e.g. United States and Great Britain) and by the coordinated market economies (e.g. France and Germany). These two types of political economies basically differ with regard to the coalitions that state agencies have entered with representatives of both capital and labour: whereas in the coordinated market economies, the state has

---

[76] See, for instance, Ashton (2005), Lauder et al. (2006), Mc Kay (2005), McGrath et al. (2004); for an analysis of the skill formation regime of the South African clothing and textile sector see Morris and Reed (2009); for reservations with regard to the transferability of the developmental state skill formation model see, for instance, Kuruvilla et al. (2002).

[77] Ritchie (2001), pp. 35f

[78] Hall and Soskice (2001), p. 4; for the literature on the institutional foundations of production regimes see Boyer (2005), Hollingsworth and Boyer (1997), Streeck (1991).

comparatively strong leverage over capital and labour, its leverage is weaker in the liberal market economies.[79]

In fact, early texts of this body of literature engaged in an analysis of skill formation processes from a comparative perspective and thereby refined Becker's theories on firm-based training, which were considered to be lacking reference to institutional contexts even by those neo-classical economists who agreed with his basic assumptions. Sokice, for instance, points out that investment into training raises, when employers are lacking information with regard to the skill level of new potential employees: hiring individuals trained by other firms may be risky as employers would assume that these are of lower quality, which makes employers invest more into training their own workforce.[80] Soskice concludes that, obviously, the institutional context of firms tremendously influences their training behaviour. Subsequent to Soskice's writings, an increasing number of authors have started to analyse national level institutions that underlie skill formation in OECD-countries. Culpepper, for instance, shows how the institutional framework of the political economies in Germany and France, two coordinated market economies, influences the role of employers' associations with regard to vocational training. He concludes that the existence of associations are not a sufficient condition for cooperation in the field of training but that public policy plays a supportive role by making investments in "building up the power of private associations", even though they are not able to fully control them.[81]

The VOC literature on the institutional foundations of skill formation has, in many ways, been complemented by Thelen's analysis of the historical development of different skill formation regimes in both coordinated and liberal market economies. The basic interest of her study on Great Britain, Germany, the United States and Japan is to analyse how, in these four political economies, apprenticeship systems have been transformed over time. Thelen, arguing from a historical-institutionalist perspective, shows that the institutions underlying skill formation have indeed evolved very differently in coordinated and liberal market economies; at the same time, however, she challenges some of the theoretical assumptions that implicitly underlie much of the VOC literature: taking Germany's vocational training as an example, she holds that its long-standing continuity cannot be explained, as is commonly done by most political economists, by functionalist-utilitarian equilibrium models that assume that both

---

79 Hall and Soskice (2001), pp. 21-33
80 Soskice (1994), p. 47
81 Culpepper (2001), p. 303

low and high-skill equilibria are being sustained since they reflect the interests of key actors.[82] The origins of the German apprenticeship system, she argues, were in fact formally institutionalised by an authoritarian government at the end of the 19th century in order to strengthen the conservative *Handwerk*-sector and to contain the labour movement;[83] however, over the course of the years, this system was sustained by a national level coalition between the representatives of the industry and the unions, both of which were interested in a solidary skill formation system to avoid impending skill shortages.[84] Thelen thus argues that the skill formation regime in Germany is indeed strongly path-dependent but that it has been sustained by other political and social forces than the ones which laid its foundation and that its functions at the time of initiation have been replaced by new ones over time.[85]

As we see, the political-economic body of literature has become highly important in order to understand the evolution of skill formation regimes. The writings by Ashton et al., which are some of the few that comprehensively theorise on the development of skill formation regimes in developing countries, serve as backdrop against which a set of hypotheses will be formulated to be assessed over the course of the study. Furthermore, the VOC literature provides a theoretical basis for the path-dependent analysis of alliances between governments and representatives of capital and labour. Nevertheless, the study will show that a conventional political-economic perspective that focuses on governments, employers and the representatives of labour as the key actors of change will not be sufficient to explain the evolution of the skill formation regimes of the garment industries in Sri Lanka and Bangladesh. In fact, educational expansion creates new actors. For this reason, it will be important for this study to duly take the evidence from the comparative education literature into account.

---

82 On low-skill and high-skill equilibria see Acemoglu and Pischke (1999), Finegold and Soskice (1988), Green et al. (1999b), Redding (1996).

83 Thelen (2004), p. 7

84 Thelen and Kume (1999), pp. 61-63

85 Thelen (2003), pp. 225-230

3 Theory and methods

In the literature review, it was demonstrated that research on the genesis and transformation of skill formation regimes in developing countries is sparse; it also became evident that the literature analysing skill formation regimes in these contexts is strongly segregated and lacks consensus on theoretical and methodical aspects of research: on the one hand, economists analyse rates of return of vocational education and training, on the other hand, educationists mainly scrutinise the pedagogical and sociological aspects of vocational education and training – and they primarily focus on vocational schools. The more comprehensive theoretical elaborations on skill formation regimes in developing countries have, so far, been contributed by Ashton et al., who, writing from a political-economic perspective, suggest that skill formation regimes in developing countries would converge along the lines of a neo-market model of skill formation. In order to prepare the assessment of this hypothesis, I will, in the first part of this chapter, elaborate a heuristic model that brings together the analytical key concepts of this study and thereby draws from historical institutionalism.[86] In the second section of this chapter, the heuristic model is specified in more detail in view of those social processes which are at the core of the empirical study and thereby mainly refers to the political-economic and the comparative literature on skill formation. The third section outlines the methods applied in this study.

3.1 The heuristic model

3.1.1 A historical-institutionalist approach to political economy

The writings on political economy are certainly no coherent body of literature, and I will therefore point to some of the features of this study's political-economic approach. Originally, political economists were, in the tradition of Adam Smith, interested in analysing the institutional conditions of economic growth of specific societies, an orientation, which had gone lost with the classical economists, who started to abstract economic processes from their societal contexts.[87] In the 20th century, there emerged two main economic approaches that particularly focused on developing

[86] The historical-institutionalist approach has, so far, hardly been applied in the comparative education literature; there are, however, notable exceptions, for instance Walter's (2006) study on the development of the Bologna process and Busemeyer's (2007) – political science – thesis on the development of spending in education in the US.

[87] Scott and Marshall (2009b), p. 573

countries: on the one hand, the so-called radical political economists, inclined towards dependency theories that were *en vogue* in the 1970s, were interested in explaining economic dependence of developing countries and social inequalities of specific societies on the grounds of Marxist theory.[88]

On the other hand, neo-classical economists used political economy as a theoretical framework to explain human behaviour outside the economy such as public policy and were, thereby, focusing on rents exerted by economic interest groups; this body of literature, in fact, achieved at integrating the concept of political economy into a more neo-liberal view on political-economic processes at work in developing countries.[89] Increasingly, however, political scientists appropriated political economy as a rationale underlying their own studies on processes in various domains of public policy; this is particularly true for research on skill formation regimes that has been discussed in the literature review above. In line with this strand of literature, I assume that the interrelationship between actors and institutions and their broader political and economic context need to be at the centre of such a study on skill formation regimes and argue that social processes are driven by purposeful actors. The study thus abstains from applying any macro-sociological theory on societal differentiation but rather aims at – ultimately – developing a middle-range theory that explains specific social processes in specified national political economies. I herewith also follow a tradition in comparative studies on education in developing countries, which use the rationale of political economy in a similar way.[90]

Whereas the literature on political economy includes a great variety of disciplinary approaches, historical institutionalism is primarily rooted in political science but is also applied by sociologists, namely by historical sociologists.[91] The key features of its methodological rationale are the main reasons for me to apply historical institutionalism in this study: first, historical institutionalists assume that actors and institutions are mutually – and not unidirectionally – interrelated. Second, historical institutionalists analyse macro contexts and they theorise about combined effects of institutions and processes rather than examining just one institution or process at a time. Third, historical institutionalists integrate time as a separate factor into their analyses

---

88 See, for instance, Mahler (1980), Wilber (1979); the political-economic tradition has tremendously influenced nation-specific literatures on economic development in developing countries; for Bangladesh see Sobhan (2002b).

89 See, for instance, Krueger (1993).

90 See, for instance, Küster (2007), Little (1999).

91 On the debate on historical institutionalism in historical sociology see Mahoney (2000, p. 507).

and have developed the respective theoretical tools. In contrast to other approaches to political economy, namely by game theorists, historical institutionalists thus focus on time-bound processes rather than on equilibria.[92] As we will see, such a historical-institutionalist framework allows to closely trace the historical processes at work in Sri Lanka and Bangladesh and to finally demonstrate both the differences and similarities between the two trajectories. At the same time, the framework presented on the next pages also includes a number of deviations from some of the more recent writings by historical institutionalists on skill formation, namely with regard to their conceptualisation of institutions. These divergences are, however, not in conflict with the basic assumptions of the historical-institutionalist tradition.

Before I enter into a discussion of historical institutionalism's core focus, its conceptualisation of institutional stasis and change over time, I will now elaborate on the three sociological key concepts of this study – regimes, institutions and actors.

3.1.2 Regimes and institutions

The main aim of this study is to analyse the evolution of two regimes or of two industry-specific skill formation regimes respectively. Using the regime concept implies referring to a growing body of literature that adopted a term originating from the study of international relations and subsequently applied it to describe a broad framework of rules and norms that govern a particular issue, such as security, intellectual property, or the environment.[93] The term skill formation regime or training regime is increasingly used in the literature on skill formation.[94] The applications of the term is often based on differing theoretical and methodological assumptions but they share a perspective which focuses on the interrelations between institutional arrangements of skill formation and their economic and political contexts. Following these previous uses of the term, this study denotes industry-specific skill formation regimes as those country-specific institutional arrangements which govern the formation of industry-specific skills. These institutional arrangements encompass institutions both inside and outside firms operating in a specific industry, which leads to two sub-regimes, the in-firm and the out-of-of firm skill formation regimes. In order to better understand the nature of regimes, I will now turn to a definition of institutions, which draws from the

---

92 Pierson and Skocpol (2002), p. 696; on the differences between historical institutionalism and rational choice theory see also Thelen (1999, pp. 381f).

93 Calhoun (2002); on the use of the regime concept in the international relations literature see Keohane (2001).

94 See, for instance, Culpepper and Thelen (2008), Kraak (2004).

literature on actor-centred institutionalism and can thus be easily integrated into the overall analytical framework of the study.

In the institutional literature, there exists a wide range of definitions of what institutions actually are. Most institutionalists would, however, agree on institutions being understood as enduring and regulatory entities that cannot be changed instantaneously or easily.[95] Institutions are thus ensuring stability within specific organisations and societies. Authors writing from a cultural-sociological perspective tend to conceptualise institutions in very broad terms: Meyer and Rowan, for instance, see institutions as broad cultural understandings and overarching cultural scripts in different societal domains.[96] Others, namely political scientists, tend to prefer a more restrictive definition of institutions. Streeck and Thelen, for instance, define institutions as formal regulations that are being socially sanctioned and collectively enforced in the political arena.[97] Whereas the broad definition limits the scope for the analysis of social agency – as agency is in fact virtually determined by institutions –, the more restrictive definition obviously excludes less formalised and less encompassing social norms, which, for instance, stabilise social processes within particular organisations, such as training organisations or firms, which will be at the centre of this study.

I therefore define *institutions* as binding informal or formal regulations which stabilise social processes within organisations and are being agreed upon by those key actors who either operate within these organisations or have direct leverage over them.

The definition allows for enough flexibility to analyse regulations that are characterised by different degrees of formalisation and scope. An institution may be considered highly formalised and having a large scope if it has been formally agreed upon by the key actors within an entire national political economy and is in fact being enforced both at the national and at the local level by actors explicitly referring to the formal institution. An institution may be considered less formalised if it has only informally been agreed upon by key actors at the national level and it may be considered having a minor scope if it has only been formally agreed upon by the key actors within one single organisation operating at the local level.[98]

---

95 Bidwell (2006), p. 35, Mahoney (2000), p. 512

96 Meyer and Rowan (1977)

97 Streeck and Thelen (2005), pp. 10f

98 This definition is partly inspired by Mayntz (2002, p. 34) and also resonates with the statement by Stinchcombe (1968, p. 107) that an institution relies on “powerful people” committed to some

3.1.3 Actors

The above-mentioned definition of institutions stated that they are to be viewed as strongly interrelated with actors. Following Schimank, this study distinguishes three different types of actors: corporate, collective and individual.[99]

1. *Individual actors* are at the core of social agency but as their individual agency generally has only small social effects, individual actors are of interest to this study as representatives of corporate and collective actors.
2. *Corporate actors* are formal organisations such as firms, associations, and organisations of the public administration with a defined aim that is being communicated towards the in- and outside of these organisations.
3. *Collective actors* are social movements comprising individual actors at a highly aggregate level, e.g. the totality of workers in the garment industry, which have, for instance, common and thus aggregately effective strategies to seek employment and to acquire skills.

Social agency is strongly influenced by a number of actors' characteristics, notably by actors' rationales for agency, actor constellations and the situations actors are operating in.[100] In line with Schimank, I assume that rationales for agency consist of cognitive, motivational and relational orientations of specific actors. *Cognitive orientations* include the factual and causal knowledge of actors, which also encompasses perceptions, interpretations and expectations with regard to the behaviour of other actors. Cognitive orientations are thus the instruments of actors that render their agency informed. *Motivational orientations* are the impetus for agency. This impetus may follow from internalised norms of appropriate behaviour, from the institutions themselves, but also from the actors' interests and historically contingent preferences. *Relational orientations* pre-structure interaction between actors and describe the mode of relation specific actors have established to other actors in the field.[101]

---

value or interest. On the different degrees of institutional formalisation see Farrell and Héritier (2003); on differing degrees of institutional scope see Knill (1998); the consideration of power in institutional analysis is being emphasised in Thelen (1999, p. 393); for a critique of institutionalist studies on developing countries that don't take into account the central role of politics see Sangmpam (2007).

99 Schimank (2004), p. 294

100 The description of actors' characteristics again largely follows Schimank (2004, pp. 295-299), who writes from the perspective of actor-centred institutionalism. These notions can easily be applied in a theoretical framework based on historical institutionalism. For the relatedness of the concepts see Mayntz (2002, pp. 27f).

101 Schimank (2004), p. 295f

In order to understand institutional development, it is particularly important to analyse *actor constellations*. Such constellations are being characterised by the number of respective actors, the homo- and heterogeneity of actors and their respective resources. At the national level such constellations may be political coalitions and policy networks of varying breadth, whereas at the local level, e.g. at the level of specific firms, such constellations may consist of key individuals such as entrepreneurs and managers that reproduce or transform skill formation institutions.[102] Furthermore, social agency occurs in specific *situations* that affect the distribution of resources and the involvement of actors into social change.[103]

3.1.4 Institutional genesis, reproduction and change over time

Institutional development is, as I have pointed out, strongly interrelated with social agency. Different strands of research on institutions have developed specific notions that theorise on the nature of this interrelation. Representatives of sociological institutionalism, dedicated to a fairly broad conceptualisation of institutions, argue that institutions, i.e. broad cultural understandings and overarching cultural scripts in different societal domains, virtually determine formal organisational structures, from which social agency or the day-to-day work activities within these organisations often is decoupled.[104] In contrast, representatives of rational choice institutionalism regard institutions to be a result of the rational calculus of purposeful actors.[105] Historical institutionalists avoid assuming any such unidirectional interrelation between institutions and actors; they have developed concepts, on the basis of which the mutual relationship between actors and institutions can be analysed in order to better understand institutional genesis, reproduction and change over time.

The studies by most historical institutionalists focus on critical junctures and on subsequent path-dependent development and basically challenge the functionalist assumption that specific institutions are being reproduced because they are relatively more efficient than alternative institutions.[106] One prominent strand of historical-institutionalist research focuses on *critical junctures* and thus analyses the genesis of

---

102 On different dimensions of constellations see Schimank (2004, pp. 297f); on coalitional breadth see Leftwich (2005), Ritchie (2001, p. 11); on policy networks see Meyer-Stamer (1999, pp. 40-42); on coalitions see Hall and Soskice (2001, p. 15), Miller and Cook (1998, p. 71).

103 Schimank (2004), pp. 297f

104 Meyer and Rowan (1977)

105 Elster (1989), p. 13, Lovett (2006), p. 40

106 Pierson (2000a), p. 264; for an elaboration on the differences between functionalist and historicist models of explanations, which is widely accepted among historical institutionalist, see Stinchcombe (1968, pp. 101-107).

institutions. Such studies attempt to explain institutional variations between countries or organisations by scrutinising the *sequencing* and *timing* of historical events in order to causally explain „how temporal ordering of, and interactions among, processes influences outcomes".[107] Ertman, for instance, in his study on state building in Europe, has shown how the relative timing of the expansion of literacy and of the beginnings of military competition influenced the institutional structures of nation states until today.[108] Since the mid-1980s, similar analyses of historical legacies were undertaken by new institutional economists, who started to coin the concept of path-dependent institutional development; David and Arthur, for instance, scrutinise how specific technological innovations, such as the QWERTY key board, narrowed down the alternatives for future technological innovations as these critical junctures produced positive feedbacks and increasing returns for all those technological innovations that adapted to the former.[109]

These writings from the new institutionalist economic literature on path-dependent development were taken up by historical institutionalists. A second strand within this body of literature now started to concentrate on institutional reproduction by scrutinising *self-reinforcing positive feedbacks* resulting from institutions that have emerged from critical junctures. According to this view, self-reinforcing positive feedbacks exist where actors in a social system gain from operating in accordance with a given institutions. These feedback mechanisms have a *distributional effect* with regard to the distribution of power between various actors and create a status quo bias from which those in power would gain more than others.[110] Thus, institutions are being stabilised. Furthermore, institutional reproduction is being buttressed by different institutions complementing each other: Such *institutional complementarities* exist when the presence of one institution increases the returns from the other, complementary institution, which may occur between different institutions within one single organisation or between institutions within different but strongly interrelated organisations or even within different spheres of specific political economies.[111]

The concepts of critical junctures and subsequent self-reinforcing positive feedbacks will be central to this study, and they will be used – in contrast to studies by political scientists who tend to exclusively focus on formal institutions – to analyse the

---

107 Thelen (1999), p. 388; for respective studies see, for instance Ertman 1997.
108 Ertman 1997
109 Arthur (1989), David (1985)
110 Pierson (2000a), p. 262
111 Hall and Soskice (2001), pp. 17f

evolution of both formal and informal institutions. This implies analysing self-reinforcing positive feedbacks and institutional complementarities at different levels of political economies but also within single organisations. Encompassing informal institutions into the analysis will not only facilitate institutional reproduction but also enable me to better scrutinise institutional transformations and to demonstrate – in line with Pierson and Thelen – that institutional evolution is a dynamic, not a locked-in process and that institutional transformation can also take place in absence of external shocks.[112] Depending on the circumstances, institutional transformation can take distinct forms that have been described in the literature. The following may be regarded as the most crucial ones:

Institutional conversion occurs – as Thelen notes – when institutional arrangements are being reproduced even though the actor constellations underlying these arrangements change over time.[113]

Institutional layering takes place when – as Schickler describes in his study on the evolution of the US Congress – new arrangements emerge on top of pre-existing institutions, which have been established to serve different purposes. Thus, there develops a tense layering of arrangements which are inspired by competing motives.[114]

Institutional decoupling occurs when there emerge strong disjunctions between institutions at different levels of organisations. This phenomenon is particularly described in neo-institutionalist studies on the development of education systems, which point out that educational practices in the classrooms may be only very loosely coupled to the formal regulations agreed upon by education policy makers and the respective administrators.[115] In this context, this study will – in contrast to the major part of the political science literature on institutional change – not only focus on formal institutions, which are generally the outcome of comparatively transparent interactions between actors operating in public. Rather, it will also consider informal institutions and institutional arrangements, which may be openly contradictory with formal institutions that officially regulate social agency in these organisations. These informal institutions may – as Farrell and Héritier write – be influenced by more formal institutions but they will not be determined by them as they "may emerge from re-

---

112 Pierson (2000a), p. 265, Thelen (1999), p. 387

113 Thelen (2002), p. 103; the idea that institutions can be caused by one set of factors and be reproduced by another one has also been purported by Stinchcombe (1968, p. 103).

114 Schickler (2001), p. 15.

115 For neo-institutionalist elaborations on decoupling see Meyer et al. (1997, pp. 154f), Meyer et al. (1993, p. 468), Meyer and Rowan (1977, pp. 356f).

peated interactions" and, in some instances, also by default.[116] In any event, some of these loosely coupled informal institutions start to change the institutional status quo and to themselves influence the evolution of more formal institutions.[117]

3.2 Specification of the heuristic model

3.2.1 Skill formation institutions and skill formation regimes

Having outlined the theoretical key concepts of the study – institutions, regimes and actors – and having heuristically elaborated their interrelation from a historical-institutionalist perspective, I now turn to the specification of the model in order to facilitate its operationalisation for the analysis of the skill formation regimes in Sri Lanka and Bangladesh. Against the backdrop of the previous notes on institutions, *skill formation institutions of garment industries* may be defined as formal or informal regulations that routinise and stabilise social processes, both within and outside firms, through which individuals acquire the capacity to perform specific tasks within the garment industry. Within a specific organisation, a firm or a training centre, there may exist many interrelated skill formation institutions, the total of which we will call the *skill formation arrangement* of this organisation. At the level of national political economies, the aggregation of the skill formation arrangements of all the respective organisations may be called the *skill formation regime* of the garment industry of the respective political economy. Obviously, such a regime consists of a very heterogeneous conglomerate of institutions, which, however, may be characterised by traceable regularities that underlie their development and allow for a comparison of skill formation regimes across different political economies.

As the key characteristics of skill formation arrangements are strongly dependent from their immediate institutional context, the skill formation regime may be parted for heuristic purposes in two separate sub-regimes – the *in-firm skill formation regime* and the *out-of-firm skill formation regime* of the garment industry –, which can be considered two distinct social contexts of skill acquisition.[118] The following paragraphs provide a more detailed overview of the institutions that are being scrutinised in this study.

---

116 Farrell and Héritier (2003), p. 580

117 Loc. cit.

118 This argument is in line with Kell (2006, p. 461), who distinguishes – though with regard to the dual system of apprenticeship training – between the same two social environments of skill acquisition.

Institutions regulating in-firm skill formation

With regard to the in-firm skill formation regimes, the study focuses on four dimensions of regulations. Three of them refer to the firm level whereas one of them refers to institutions at the national level. Table 2 summarises the different institutions subsumed under the different institutional dimensions on the left and specifies the key aspects in the right column.

Institutional dimensions		Key aspects of institutional dimensions
A	Institutions regulating recruitment and promotion of new and existing employees in a given firm	1. recruitment criteria for specific positions in the firm (e.g. educational background, job-specific skill level, gender, family background, ethnicity) 2. promotion criteria for specific positions in the firm (e.g. educational background, job-specific skill level, performance, gender, family background, ethnicity)
B	Institutions regulating skill formation of individual employees in a given firm	1. characteristics of the skills being transmitted (degree of specification / breadth) 2. location and timing of skill formation 3. position of the instructors 4. real and opportunity costs of skill formation
C	Institutions regulating decision-making with regard to skill formation processes in a given firm	1. decision-making with regard to recruitment and promotion criteria 2. decision-making with regard to the contents of skill formation 3. decision-making with regard to the coordination of recruitment, skill formation and promotion processes
D	Institutions formally regulating in-firm skill formation processes at the national level	1. prescriptions by national laws and regulations for in-firm skill formation

Table 2: In-firm skill formation institutions

A. Institutions regulating recruitment and promotion of new and existing employees in a given firm

These institutions regulate entry and promotion of employees into and within firms respectively and thus define firm-specific career paths. In order to staff vacant positions and to subsequently promote their employees, firms may consider educational backgrounds and skill levels of potential recruits or – when it comes to promotions – the seniority and the performance of potential promotees; in both cases, gender or family backgrounds and other what could be assumed to be less production-related criteria may be relevant as well. The respective skill arrangements may either be oriented towards a strategy that aims at poaching job-specifically skilled employees from other firms or towards a strategy that tries to

recruit comparatively highly educated school leavers and to then provide them with comprehensive on-the-job training.[119]

B. Institutions regulating skill formation of individual employees in a given firm

These institutions regulate the skill formation processes of individual employees as such; firms may particularly differ with regard to the breadth of skill formation, namely during the induction period: some firms may tend to provide mainly narrow, industry-specific training (e.g. training on one particular machine), whereas others also provide broader industry-specific general training (e.g. traineeships covering several departments in a given industrial unit). Depending on the characteristics of the firm, some of this training may be very firm-specific and thus integrated into segmentalist labour markets. Some firms may also provide general training outside the workplace, which necessarily increases both opportunity and real costs of training.[120]

C. Institutions regulating decision-making with regard to skill formation processes in a given firm

These institutions regulate decision-making processes with regard to recruitment, promotion and skill formation processes within a given industrial unit and are thus at the core of in-firm skill formation arrangements. Entrepreneurs may delegate the respective responsibilities to a separate department, for instance to human resources or to production departments, or may decide to retain strong direct control over these processes. If the institutions regulating these processes are unstable, there may emerge strong conflict within firms.[121]

D. Institutions formally regulating in-firm skill formation processes at the national level

These institutions are more formal and generally result from political processes at the national level that define labour and training policies. In some political economies, institutions formally regulating in-firm skill formation processes may not exist

---

119 On recruitment strategies and criteria from a human resources management perspective see Schultz (2001c, pp. 219-221); on the importance of credentials in recruitment see Brown (2001, pp. 26f); on staffing strategies and promotional criteria see Schultz (2001a, p. 261).

120 On the distinction between firm-specific, industry-specific and general skills see Estevez-Abe et al. (2001); on firm-specific, segmentalist training see Thelen and Busemeyer (2007, pp. 3f); on different approaches to framing induction periods see Schultz (2001a, pp. 251-263); on the learning dimensions of in-firm skill formation processes see Bremer (2005).

121 On the formulation of firm-based human resources strategies see Schultz (2001a, p. 253).

at the national level or have a very limited scope and thus only define the status of trainees within firms, such as their remuneration and the maximal length of the training period. In other political economies, there may exist – such as in the case of the dual system of apprenticeship – more comprehensive regulations that prescribe the details of learning processes within firms. These institutions may not be enforced by the government, which leads to decoupling between institutions at the national and at the firm level.[122]

Typologies of in-firm skill formation regimes

Firms within a specific industrial sector may adopt very different skill formation strategies. Still, it can be assumed that in-firm skill formation regimes of specific countries may rather gravitate towards one of the extremes of a bipolar spectrum. Depending on whether firms in a specific industrial sector aim at reducing costs into skill formation by abstaining from training outside production or whether they tend to make specific investments of financial and temporal resources, the following typology in table 3 distinguishes between production-oriented skill formation regimes and investment-oriented skill formation regimes respectively.

Type of in-firm skill formation regime	Dimension-specific characteristics of respective types
Production-oriented in-firm skill formation regimes	A. skilled employees being poached from other firms B. investments into training limited to brief and production-related on-the-job training C. responsibility for training left in the hands of production-related personnel D. no incentives for firms investing into training
Investment-oriented in-firm skill formation regimes	A. recruitment of recruits with comparatively accomplished educational backgrounds B. formalised traineeships and considerable investment into training C. separate departments in charge of skill formation D. incentives for firms that invest into training

Table 3: Typologies of in-firm skill formation regimes[123]

Institutions regulating out-of-firm skill formation

With regard to out-of-firm skill formation regimes, the study focuses on institutions that regulate social processes in organisations which offer skill formation programmes explicitly catering to the garment industry at the craft, technician or at the

[122] On nation-specific training and labour policies see Gill et al. (1999) and Hall and Soskice (2001, pp. 25 & 30), Steedman (2008).

[123] On the distinction between production-oriented and investment-oriented training systems see Dionisius et al. (2009, p. 20).

professional level.[124] Table 4 summarises the different institutions subsumed under the different institutional dimensions on the left and specifies the respective key aspects in the right column.

Institutional dimensions		Key aspects of institutional dimensions
A	Institutions regulating skill formation programmes	1. enrolment and employment criteria for trainees and instructors respectively (e.g. educational background, industry-specific skill level, family background, ethnicity) 2. contents of the programme (depth / breadth) 3. location and timing of skill formation 4. status of the credential 5. actors bearing the costs of the skill formation programme
B	Institutions regulating skill formation organisations at the local level	1. actors deciding about criteria for enrolment and employment of trainees and instructors respectively 2. actors deciding about the introduction, adaptation or phase out of training programmes 3. actors deciding about the contents of skill formation programmes and about the status of the credentials 4. actors deciding about absorption of trainees 5. actors bearing recurrent and investment costs of the skill formation organisation
C	Institutions regulating skill formation organisations at the national level	1. mechanisms to monitor and coordinate the different skill formation organisations 2. implementation of these mechanisms

Table 4: Out-of-firm skill formation institutions

A. Institutions regulating skill formation programmes

These institutions regulate programmes offered by different skill formation organisations that explicitly cater to the garment industry (e.g. training centres, vocational schools and university departments). Programmes may strongly vary in terms of the enrolment criteria for students. Technical education programmes on the one hand, particularly those offered at the university level, may have highly elitist enrolment criteria and thus – as it has been often reported for developing countries – serve as a means for the socio-economically more privileged sections of society to seek employment in the upper echelons of the labour market, a phenomenon which has been called "aristocratic seclusion." On the other hand, skill formation programmes at the vocational level may have less elitist enrolment criteria and accordingly enjoy less social prestige. Skill formation programmes may vary with regard to their contents, which are generally spelled out in curricula and syllabi. The contents of programmes may differ with regard to curricular depth and

[124] This notion of skill formation programmes encompasses courses that are commonly termed as providing vocational education, vocational training, technical training and technical education; the study thus doesn't apply any strict distinction between education and training programmes.

breadth and can either be taught in a practical mode in industrial settings or in a more academic mode in classrooms. Skill programmes generally lead to credentials, which are formally related to the enrolment criteria of further skill formation organisations.[125]

B. Institutions regulating skill formation organisations at the local level

These institutions regulate the administrative and financial aspects of skill formation organisations and are at the core of the out-of-firm skill formation regime. The key features of these institutions are ownership and the degree to which they allow representatives of the private sector to engage in the respective decision making process. There may be skill formation organisations, which are owned by governmental organisations and don't allow for this type of participation; they are thus entirely under the control of representatives of state-owned organisations. Some public skill formation organisations, e.g. vocational training centres operating at the local level, may be owned by the state and are controlled with regard to all these aspects by a national level agency. Other state-owned skill formation organisations may be more autonomous in this regard, so they may independently introduce, adapt and abolish skill formation programmes, as in fact public universities do in many countries. Private, i.e. privately owned skill formation organisations may need or need not to meet certain national standards, for instance with regard to the contents, enrolment and employment criteria. Representatives of the private sector and those of public agencies may strongly cooperate in several of these domains and thus enter what have been labelled public-private partnerships. In some cases, both types of actors bear the recurrent and investment costs of the skill formation organisation, whereas in others the funding of these costs remains the sole responsibility of state agencies and the private sector may be involved into managing the organisation or into decision making processes.[126]

---

[125] On changes in the access to technical education programmes in Europe and the US see Kaelble (1981, p. 259); on stratified access to higher education in developing countries see Naidoo (2003, p. 252); for comments on the aristocratic seclusion of technical education organisations in India see Chitnis (1993, p. 25); on curricula, syllabi and the respectively varying degrees of curricular specialisation in TVET see Grubb and Achtenhagen (2001), Wolf (1995, p. 142). On assessment in vocational education and educational mobility through the respective credentials see, for instance, Shaw and London (2001), Pandey (2005, pp. 34f), Wolf (1995).

[126] For a definition of public-private partnership see McQuaid (2000, p. 11); on different dimensions of privatisation in education see Belfield and Levin (2002, pp. 19-22). For reports on the Penang Skills Development Centre (PSDC), one of the most cited examples of best practice in training related public-private partnership see, for instance, Marchese and Sakamoto (2008, p. 16), te

C. *Institutions regulating skill formation organisations at the national level*

These institutions regulate the institutional arrangements of skill formation organisations, e.g. the type of programmes and the respective curricula, the entry requirements and the conditions of employment of instructors, at the national level. Countries may adopt a centralised or a decentralised approach to the coordination of skill formation organisations. A centralised approach to skill coordination requires the governments to forecast – generally from a distance of several years – the manpower and skill needs of specific economic sectors and to have the leverage to introduce, adapt or abolish skill formation programmes offered by public training organisations. The decentralised approach to the coordination of skill formation does without long-term forecasting but still governments engage in the coordination of the national skill formation regime by funding specific programmes that correct skill shortages and by regulating the skill acquisition process more generally, which may require – as with the corporatist training strategies of Germany and Switzerland for instance – strong cooperation with representatives of employers' associations and labour unions. Governments may also decide to concentrate their efforts in general education and to abstain from coordinating the acquisition of skills for specific economic sectors altogether and to more rely – as the US and Great Britain tend to do in this regard – on market forces in this regard. In those cases, where – as in many developing countries – governments have originally been engaged in centralised coordination of skill formation but were, in the course of economic liberalisations, faced with the emergence of a labour-intensive private sector and the subsequent formation of segmentalist labour markets in large, FDI-backed firms, there may emerge a hybrid approach to the coordination of skill formation programmes, which has been termed – by Ashton et al. – the neo-market approach to skill formation and will be further detailed in section 3.2.4.[127]

Velde (2002, p. 28), World Bank (2006b, pp. 59f); on public-private partnerships at the university level see Etzkowitz (2008, p. 71).

[127] On centralised and decentralised approaches to the coordination of skill formation organisations see Richards (1994, pp. 4f); on the corporatist, market and neo-market models of skill formation see Ashton et al. (2000, pp. 14-21); on the role of associations in the process of coordinating skill formation see Culpepper (2001, pp. 279ff), Soskice (1994, p. 34). On the different types of national level skill formation arrangements in liberal and coordinated market-economies see particularly Thelen (2004).

Typologies of out-firm skill formation regimes

Out-of-firm skill formation institutions of specific political economies are never a coherent body of social phenomena; rather, there may be different institutional arrangements for the varying levels of skill formation and governments may combine centralised approaches to the coordination of skill formation with more market-oriented strategies. Still, out-of-firm skill formation regimes of specific countries may rather gravitate towards one of the extremes of a bipolar spectrum, one pole being represented by state-driven and state-coordinated skill formation regimes and the other pole being represented by market-driven skill formation regimes. Table 5 summarises the key features of the two types of out-of-firms skill formation regimes by referring to the institutional dimensions outlined above.

Type of out-of-firm skill formation regime	**Dimension-specific characteristics of respective types**
Market-driven out-of-firm skill formation regimes	A. customised, occupation-specific courses that are being financed by trainees or employers B. decisions with regard to enrolment criteria and contents of programmes taken by the private providers of training programmes who orient these programmes towards the social demand for specific courses C. no mechanisms to monitor and coordinate the different skill formation organisations
State-driven and state-coordinated out-of-firm skill formation regimes	A. both customised and more general courses, whose costs are being borne either by the state, the trainees or the employers B. decisions with regard to enrolment criteria and contents of programmes taken by state agencies C. mechanisms to monitor and coordinate the different skill formation organisations

Table 5: Typologies of out-of-firm skill formation regimes

3.2.2 Intersecting regimes

Having outlined – from a heuristic perspective – the different institutions governing in-firm firm and out-of-firm skill formation processes, we now turn to the institutional context of these institutions. These elaborations start from the assumption that most social processes underlying institutional genesis and change are of multi-causal nature.[128] Accordingly, the development of in-firm and out-of-firm skill formation institutions is interdependent with institutions in other spheres of the political economy. Similar to skill formation institutions, institutions in other spheres of the political economy are grouped in institutional arrangements, which regulate the operations of spe-

[128] Mayntz (2002), p. 21

cific organisations. At an even more aggregate level, at the level of national political economies, institutions may be grouped into sphere-specific but strongly interrelated and partly interdependent regimes. In our case, we will concentrate on the interrelations of industry-specific skill formation regimes with the education and training regimes and the garment production regimes of the two countries. For the purpose of this study, I define both regimes as follows:

Education and training regimes encompass all those institutions regulating social processes through which the skills of individuals are purposefully fostered.[129]

Garment production regimes encompass all those institutions regulating social processes within organisations that are either directly involved into the production of garments or which perform tasks that are explicitly interrelated with the garment industry.[130]

The institutional dimensions of the intersecting regimes

The following figure helps to better understand the interrelations between these two regimes and their interrelation with the skill formation regime of the garment industry.

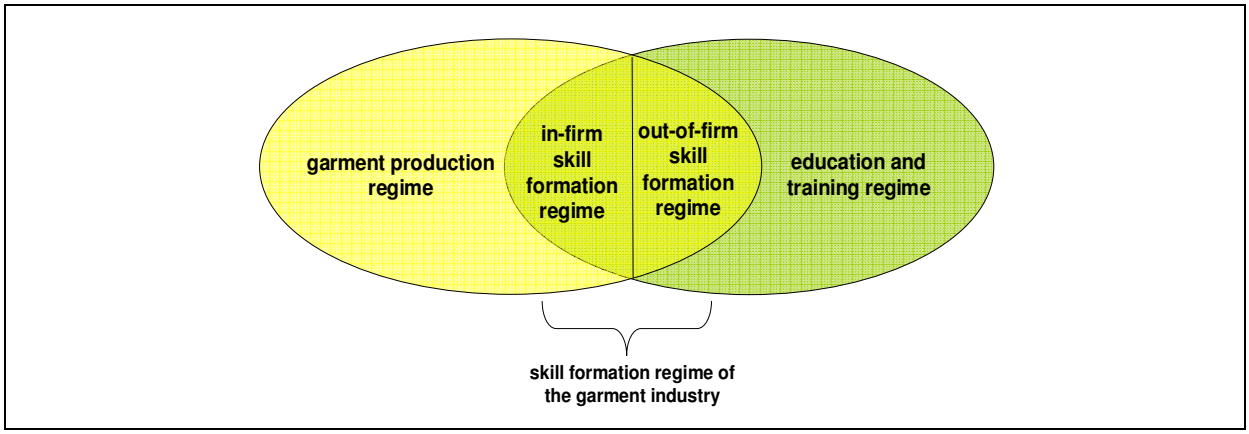

Figure 1: The skill formation regime of the garment industry

The skill formation regime of the garment industry in a specific political economy thus lies in the intersecting realm of the education and training regime and the garment production regime and I assume the skill formation regime of the garment in-

129 The concept of "education and training regimes" has been applied by Buechtemann and Verdier (1998, p. 291), who described such regimes as parts of „national institutional frameworks". The notion that purposeful agency is at the core of education has been underlined, for instance, by Brezinka (1995), p. 197, Luhmann (2002), p. 15.

130 The concept of "production regimes" has been used frequently in the literature on the varieties of capitalism; for an early text see Rubery (1994).

dustry to be dependent from social processes within these two regimes.[131] As we have noted above, the skill formation regime is segregated into two parts and I assume these two parts to be dependent from their respective institutional contexts. On the one hand, the in-firm skill formation regime is indeed a part both of the garment production regime and of the education and training regime, because its institutions are part of the regulations underlying the social processes within garment factories and are also aimed at purposefully fostering the skills of individuals. However, the institutional context of the in-firm skill formation regime is more strongly interrelated with the garment production regime and with the key actors involved in this regime's reproduction and transformation. On the other hand, the out-of-firm skill formation regime is similarly a part of both regimes. But its institutional context is more strongly interrelated with the education and training regime and with the key actors involved in this regime's reproduction and transformation. The characteristics of the skill formation regimes are thus obviously interdependent with the characteristics of specific education and training regimes and garment production regimes.

Following the arguments outlined in the introduction and the comparative literature on education systems, we assume that the key characteristic of any education and training regime is the *role of the state* in the expansion of this regime, whose aspects are summarised in Table 6. The most important aspect in this regard is the role of the state in terms of providing funds for the provision of educational programmes at different levels. Another important aspect is the role of the state in terms of coordinating the educational programmes offered both by different government and private organisations. Necessarily, the respective bipolar typology consists of education and training regimes, which either gravitate towards state-driven, thus state-financed and state-coordinated educational expansion or towards more market-driven educational expansion. For obvious reasons, we can assume that a more state-driven education and training regime may result in the emergence of comparatively state-driven out-of-firm skill formation regimes, whereas more market-driven education and training regimes rather lead to comparatively market-driven out-of-firm skill formation regimes.

---

[131] The application of the term "intersecting realms" in this study differs from applications in Luhmann's and Schorr's (1979, pp. 53ff) appropriation of systems theory, which theorises more generally on processes of functional differentiation; on intersecting realms see also Harney and Schriewer (1998, p. 129), Schriewer (1987).

Institutional dimension		Key aspects
A	Role of the state in educational expansion	1. role of the state with regard to financing the provision of education at the primary, secondary and at the university level 2. role of the state with regard to the coordination of educational programmes offered by both public and private organisations

Table 6: Dimensions of education and training regimes[132]

Whereas we concentrate on one single aspect of education and training regimes – the role of state in educational expansion –, our analysis of industry-specific production regimes needs take into account a broader set of institutional dimensions, which puts – in line with the VOC literature – institutions at the firm level at the centre of analysis and relates them to institutions both at the national and at the global level.[133] These key aspects of the garment production regime are summarised in table 7.

Institutional dimensions		Key aspects of institutional dimensions
A	Institutions at the firm level	1. regulations concerning technical and social aspects of production processes (use of technology / division of labour) 2. regulations concerning labour conditions (wage / holiday / training / workplace safety and decency)
B	Institutions at the national level	1. tax, customs and financial market regulations 2. labour market regulations (minimal wage / working hours and holidays / training / workplace safety and decency)
C	Institutions at the global level	1. international trade agreements 2. internationally agreed labour standards

Table 7: Dimensions of industry-specific production regimes[134]

The institutional characteristics of specific production regimes strongly differ both between specific industries and specific political economies. The literature on production processes suggests that these differences are particularly prominent between labour-intensive industries on the one hand and more technology-intensive industries on the other hand. As this study concentrates on a labour-intensive, export-oriented industry, table 8 outlines the features of the institutional key aspects of this type of industry.

---

132 For a discussion of the role of the state in educational change see Green (1997), Green et al. (1999); on different dimensions of privatisation in education and the respective role of governments see Belfield and Levin (2002, pp. 19-22).

133 See the respective comments on the "relational view of the firm", which also considers the global context of firm behaviour, by Hall and Soskice (2001, pp. 6f & 54-60).

134 For elaborations on different dimensions of production regimes see Hollingsworth and Boyer (1997); on the social organisation of production processes see also Schultz (2001b, pp. 191-193).

The literature suggests that labour-intensive, export-oriented industries are often based on exploiting low-cost and hardly formally trained labour and thus tend to be interrelated with a comparatively production-oriented in-firm skill formation regime, where employers tend to keep investments into skill formation at a low level.[135] This suggestion needs further analysis in the thesis and will be outlined in more detail in the brief section on the central argument of this study (3.2.4).

Institutional dimensions		Key aspects of institutional dimensions
A	Institutions at the local level	1. regulations stabilising the labour-intensive use of technology 2. regulations assuring the labour conditions (e.g. wages, holidays, training, workplace safety and decency)
B	Institutions at the national level	1. regulations providing incentives for the establishment of export-oriented industrial units by (1) allowing imports of the respective machinery and/or the raw materials and by (2) providing local investors with access to capital or allowing the influx of FDI 2. labour regulations that allow employers to pay low wages in order to compete on the global market and that lack regulations with regard to in-firm training
C	Institutions at the global level	1. international trade agreements providing investors with incentives to dislocate labour-intensive production to less industrialised, low-wage countries 2. internationally agreed labour standards that allow buyers to source from low-wage countries

Table 8: Institutional characteristics of labour-intensive, export-oriented production regimes in developing countries[136]

Before that, we, however, need to know more about the actors influencing both the education and training regimes and the production regimes and also need to elaborate on the overall institutional context of country-specific skill formation regimes, i.e. on the political and administrative regimes

Actors influencing intersecting regimes

In any given political economy, the evolution of the garment production regime and the education and training regime and thus of the skill formation regime of the garment industry are related with individual, collective and corporate actors that operate at different levels of political economies. Most of the respective formal institutions

---

135 Lall (1998), p. 60; on low-skill production regimes in more industrialised countries see, for instance, Taplin et al. (2003, p. 1029).

136 On the technological and social aspects of labour-intensive production see Alcorta (1999, p. 153), Kaplinksky (1989, p. 12); on global trade agreements in the garment industry and on the emergence of internationally agreed labour standards see Chan and Ross (2003), Gereffi and Memedovic (2003), p. 12, Sengenberger (2002).

result from the social agency of purposeful actors, who are either entering coalitions with other actors or have enough leverage to create formal institutions on their own. As noted above, informal institutions may emerge as a result of purposeful agency but also by default or as a result of the aggregate effects of the behaviour of collective actors. At the same time, formal institutions particularly at the national and at the global level have strong aggregate effects as they change the behaviour of collective and corporate actors and often create new collective and corporate actors that will themselves start to influence the further evolution of both formal and informal institutions. These aggregate effects need not necessarily be line with the material interests of the actors who were previously involved into introducing the respective formal regulations.[137] Table 9 provides an overview of the main actors influencing the evolution of regimes.[138]

Regime	Actor type	Actors
Education and training regime	Individual	politicians administrators representatives of education and training organisations and of the profession
	Collective	students/trainees and their parents (i.e. social demand for education)
	Corporate	political parties administrative units in the public service education and training organisations international organisations
Production regime	Individual	politicians administrators entrepreneurs labour representatives
	Collective	entrepreneurs employees
	Corporate	political parties administrative units in the public service education and training organisations employers' associations trade unions buyers as part of international production networks international organisations

Table 9: Actors interrelated with education and training regimes and production regimes of specific national political economies[139]

137 For details on aggregate effects of institutions see Mayntz (2002, p. 31).

138 The list of actors concentrates on the most important ones and is not exhaustive. Employers and labour union representatives, for instance, may influence the education and training regime as well.

139 For the distinction between individual, collective and corporate actors see section 3.1.3 that largely follows Schimank (2004, p. 294); on different actors influencing education and training regimes see the section on the different theories of educational change in the literature review (2.2); for notes on key actors influencing the development of production regimes see

In reality, the segregation of actors into two regimes is not as strict as suggested by table 9, as the two regimes are partly intersecting. However, this segregation of actors reflects the segregation of the skill formation regime into two distinct sub-regimes, each of which is more strongly interrelated with one of the two intersecting regimes. We will see that coalitions of politicians and administrators may have a strong influence on, for instance, the initial development of formal institutions in the education and training regime but that these formal regulations may create aggregate effects with regard to the behaviour of collective actors, whose agency is beyond the direct control of the original actors and will result in the development of informal but similarly crucial institutions.[140] Vice versa, formal institutions, for instance government regulations on customs procedures, may be the result of informal but "institution-ali[s]ed channels for the continual negotiation and re-negotiation of goals and policies" that exist between politicians, administrators and representatives of the business elite.[141] In any event, the interrelations between actors and institutions both of the education and training regime and of the garment production regime are characterised by self-reinforcing positive feedbacks but will also undergo transformations that result from external shocks, changing actor coalitions and less transparent changes of informal institutional arrangements.

3.2.3 Political and administrative regimes

The evolution of skill formation regimes is not only interrelated with the development of education and training regimes and production regimes but also influenced by the larger societal context of these regimes, most particularly by the organisational characteristics of nation states. In fact, many authors have attributed the development of these characteristics a key role with regard to the evolution of skill formation regimes.[142] In this study, I assume that the development of nation states is indeed is strongly interrelated both with the development of the education and training regime and the production regime of specific political economies. The interrelationship between state formation and the evolution of skill formation regimes is, however, not straightforward and its analysis requires in-depth process tracing.

Hollingsworth and Boyer (1997); for literature on employers' associations in developing countries see Doner and Schneider (2000), Haggard et al. (1997); on international production networks and on buyers operating as important actors in the global garment production regime see Felker (2003, p. 268), Gereffi (1999, pp. 38 & 44f).

140 See Mayntz (2002, pp. 31f).

141 Evans (1995), p. 12

142 See, for instance, Ashton et al. (1999), Green (1995).

The state will – in order to avoid what Migdal calls „a mystification of the state and its capabilities“ – not enter this study as an actor as such.[143] Rather, I will concentrate on institutions that can be subsumed under the political and administrative regime of a specific political economy, which I define as regulating the internal and external operations of organisations that are formally under the control of a national government. In line with Migdal's heuristic elaborations on state institutions, I argue that this regime encompasses constitutional principles and laws but also "the written and unwritten laws, regulations, decrees, and the like, which state officials indicate they are willing to enforce through the coercive means at their disposal".[144] Table 10 summarises the different institutional dimensions of political and administrative regimes and the different types of actors interrelated with these.

Institutional dimensions of political and administrative regimes	
Level	**Dimensions**
local level	institutionalised appropriation of national level regulations
national level	formal regulations (constitution / acts / government orders) informal regulations underlying the workings of government
global level	international agreements on trade, human rights, education etc.
Actors influencing political and administrative regimes[145]	
Actor type	**Actors**
Individual	politicians administrators entrepreneurs representatives of labour
Collective	voters partisans of political parties
Corporate	political parties public administrative agencies employers' associations trade unions international organisations governments of other countries

Table 10: Institutional dimensions and actors of the political and administrative regime

Similar to the education and training regime and the production regime, the development of the political and administrative regime of a specific political economy is strongly path-dependent and results from competition and struggle between different

143 Migdal (2001), p. 235

144 Migdal (1988), p. 14; for the application of the term political and administrative regime see Orren and Showronek (1999, p. 35).

145 For key actors influencing the political and administrative regimes of many developing countries see Migdal (1988, pp. 259-269).

actors "over resources and services, values and political power".[146] The interrelation between the institutions of political and administrative regimes and different actors may vary strongly between different political economies; I will therefore focus on a few aspects which have been elaborated by scholars writing on politics and administration of weak states in developing contexts. I expect these characteristics to feature prominently in the political and administrative regimes both of Sri Lanka and Bangladesh, both of which have been described as weak states in the literature.[147]

First, weak states may be characterised – as Migdal writes – by the *politics of survival*.[148] The stability of political power is constantly threatened by changing coalitions of political parties and by centripetal societal forces, and is thus being defended by those in top-ranking political and administrative positions with the means of extrajudicial measures and other strategies to obtain non-constitutional control over the judiciary, the administration and the military. Second and strongly related to the politics of survival, weak states are characterised by the *politicisation of the administration*, which is often being used as an instrument by the executive to maintain its political power. Subsequent governments may foster specific government agencies and staff them with their own partisans.[149] This not only furthers administrative fragmentation but also leads to the increasing political leverage of government agencies and departments, which themselves strife for survival – if not enlargement – without being held accountable by parliamentary forces.[150] The capacity of the public service to initiate and implement reforms is thus necessarily limited.

Third, weak states often have comparatively *little political leverage over other states* and their governments, many of which aim at integrating weak states into their own spheres of influence by the means of foreign aid and trade agreements.[151] In many cases, overseas, i.e. Western governments and multilateral organisations have been in a position to considerably influence overall economic and social policies of such states, one of the more important examples being the global diffusion of structural adjustment programmes in many developing countries that had been prominently advocated by the World Bank and the IMF and been backed by most governments of

---

146 Sangmpam (2007), p. 204
147 Dunham and Kelegama (1997), Lewis (2004)
148 Migdal (1988), p. 206
149 On the practice of such non-merit appointments see Migdal (1988, p. 217).
150 Atkinson and Coleman (1989), p. 55, Sangmpam (2007), p. 206
151 Burnell (1997), Morgenthau (1962)

the more industrialised countries.[152] Necessarily, such programmes have a direct influence on the development of both education and training regimes and on garment production regimes. However, the development of specific organisations is often influenced by less comprehensive projects for infrastructure or staff development, many of which often fail to meet their original goals.[153] In any event, such projects often further add to the organisational fragmentation of the administration.[154]

3.2.4 A causal model of the political economy of skill formation regimes in developing countries

In the previous paragraphs, different typologies for in-firm and out-of-firm skill formation regimes, for education and training regimes and for production regimes have been outlined. It has been suggested that higher state intervention into education may lead to more state intervention in the field of out-of-firm skill formation and that the emergence of a labour-intensive production regime may result in a more production-oriented in-firm skill formation regime. So far, we have, however, neither theorised about the interrelation between the two regimes in the context of developing countries nor have we considered the factor time into our analysis. As documented in the literature review, the only comprehensive theoretical perspective on the political economy of skill formation in developing countries has, so far, been elaborated by Ashton et al., who argued that there would be increasing *convergence of skill formation systems in developing countries* towards a neo-market model of skill formation.[155]

On the basis of our elaborations above and the suggestions by Ashton et al. we may, as outlined in figure 2, assume that the growth of export-oriented, FDI-backed industries in developing countries – an outcome of global political and economic pressures – led to a market for private training organisations, which were catering to the upper echelons of the foreign-owned firms and thus started to marginalise public training organisations, which were originally established in line with import substitution strategies but were now rather geared towards socio-political goals. The private out-of-firm skill formation organisations thereby started to be strongly interrelated with comparatively more investment-oriented in-firm skill formation arrangements of the foreign-owned companies, whereas the locally owned garment companies would

---

152 Burnell (2003), Deacon (2000)

153 On the difficulties to implement donor-funded projects in education see, for instance, Steiner-Khamsi (2005).

154 On the effects of donor projects on administrative fragmentation see Nagel and Snyder (1989).

155 Ashton et al. (2000)

adapt comparatively more production-oriented in-firm skill formation arrangements and find it more difficult to attract the graduates of private training organisations. This hypothesis thus suggests that it will not make any difference whether governments have – previous to the expansion of the respective industry – invested into education and training or whether they have done so to a lesser extent. This causal model will be assessed by analysing both Sri Lanka and Bangladesh, which tremendously differ in terms of the intervention of the state into the expansion of the education and training system. The following section elaborates in more detail how this will be done.

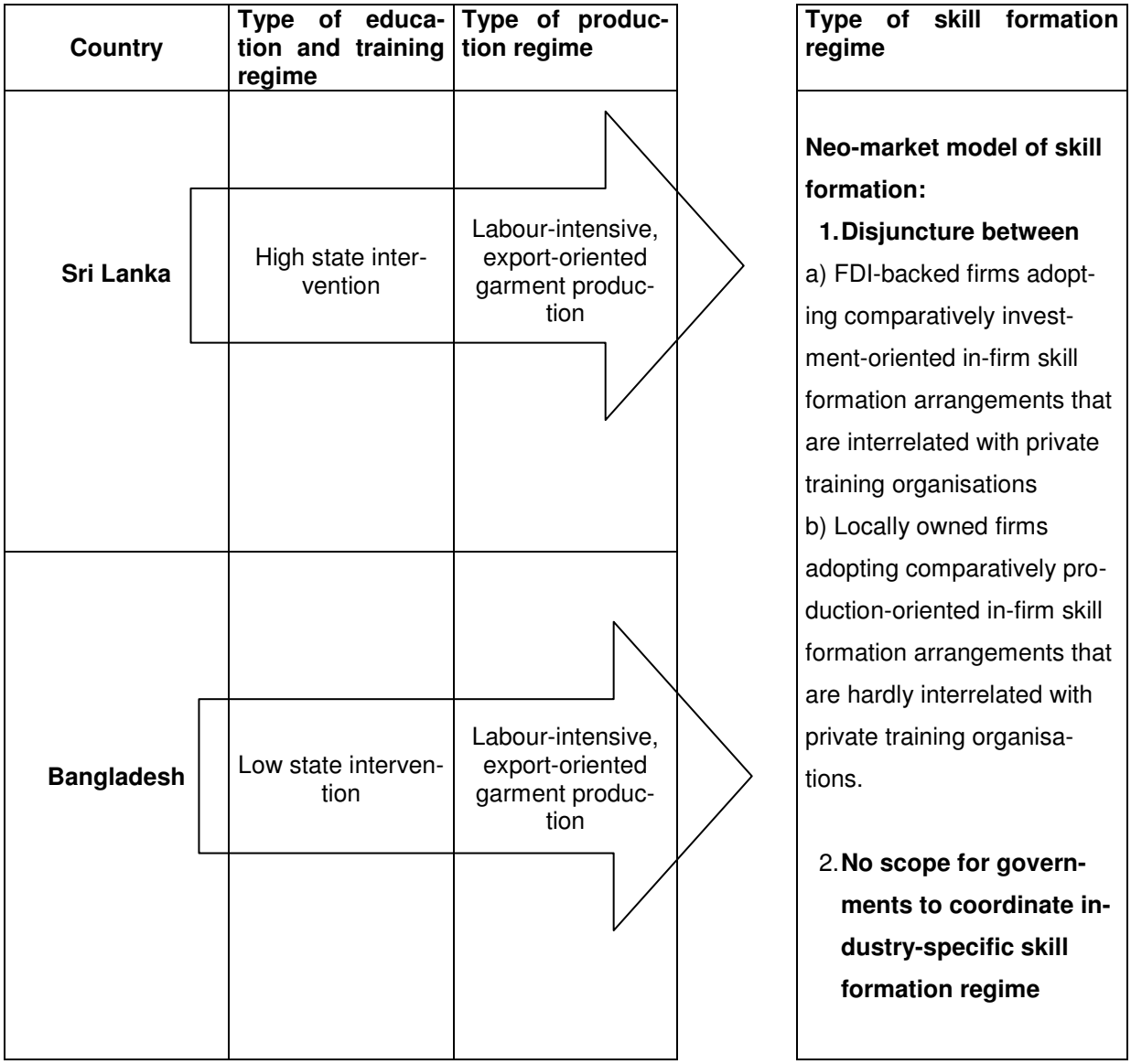

Figure 2: Model suggesting convergence of skill formation regimes of labour-intensive, export-oriented industries in developing countries

3.3 Methods

The study engages in theorising on the evolution of skill formation regimes of labour-intensive industries in developing countries; it thereby starts from a heuristic model – elaborated in sections 3.2.1 to 3.2.3 – that sketches the different aspects of skill formation regimes and their interrelation with their social context and aims at assessing a causal model – discussed in section 3.2.4 –, which suggests that the skill formation regimes of the garment industries in Sri Lanka and Bangladesh would increasingly converge along the lines of a neo-market model of skill formation. The assessment of the model occurs through a comparative case-study that places its methodical emphasis on within-case analysis and process tracing, which will enable me, if necessary, to reformulate the hypotheses and the causal model outlined above.[156] It is only through this type of empirical grounding that the complex interrelations of skill formation processes can be understood and potentially crucial, multiply interrelated regularities within the respective evolutionary processes can be discovered, which are beyond the reach of high-N comparative studies.[157] In order to, however, not only assess the model as such but also to eventually engage in a well-grounded reformulation or qualification of the model, the study analyses two cases and engages in cross-case analysis.[158] The following paragraphs will now describe the methods, notably the processes of data collection and analysis, in more detail.

3.3.1 Data requirements

In the sections 3.2.1 to 3.2.3, we saw that the mainstay of data collection needed to concentrate on in-firm and out-of-firm skill formation arrangements in firms and training organisations and that additional information needed to be gathered on other types of organisations, namely associations, government agencies and donor organisations. There, I have also elaborated on the institutions subsumed under the different regimes and on the actors, which these institutions are interrelated with; these notes can be considered as a sufficient outline of data requirements. I will, therefore,

---

156 On grounded theory see Glaser and Strauss (1967).

157 This methodological approach is in line with historical-comparative research in comparative education that systematically analyses the complex interdependencies between education and its societal context and thus contributes to the reconciliation of history and comparative research; see Schriewer (2000, p. 322); on the limitations of theoretically ungrounded quantitative studies see Ebbinghaus (2005, p. 149), Mjöset (2006, p. 351).

158 On a critique of descriptive single case studies that add little to the accumulation of theoretical knowledge on social processes see George and Bennett (2005, pp. 69f).

not reiterate these details here but will rather point to some silent features of the data, which were needed for this study.

First, the data had to provide information on the historical development of characteristics of and of interrelations between institutions and actors over the time since the early phase of the expansion of the respective regimes. These data were needed both with regard to the in-firm and with regard to the out-of-of firm skill formation regimes and had to be complemented by data on the education and training regimes, on the production regimes and on the actors interrelated with these regimes respectively.

Second – and strongly related to this first point –, the data providing the information on the historical evolution of the respective institutions and actors had to be of qualitative nature. Based on our specifications elaborated in section 3.2.1, the analysis of out-of-firm skill formation regimes in both countries required information on the key characteristics of specific skill formation programmes – curricula, selection criteria etc. – and their interrelationships had to be described in qualitative terms. The analysis of the development of in-firm skill formation regime needed to be similarly based on qualitative data. In contrast to economic and industrial sociological research on firm-behaviour, this study thus didn't gather quantitative information through a survey but followed historical paths by tracing qualitative information from the respective critical junctures forwards to the present.

Third, in order to gather evidence on in-firm and out-of-firm skill formation, it was important to combine, i.e. to triangulate a number of qualitative methods. The most important data gathering methods were to conduct qualitative interviews and to collect documentary evidence, e.g. project reports, curricula and statistical data published by government agencies. These methods were complemented by tracing documentary evidence, but also by taking fieldnotes, for instance on visits to firms and training organisations, and by gathering highly structured information on educational and occupational biographies of employees, instructors and trainees. The triangulation of data which were produced through these means then allowed studying "the same phenomenon", e.g. the skill formation arrangements of a given training organisation, from different perspectives.[159] The process of data collection and data analysis will be explained in more detail further below. Before I turn to these elabora-

[159] Denzin (1978), p. 291

tions, I will, however, make some brief remarks on the overall context of data collection in Sri Lanka and Bangladesh.

3.3.2 Data collection

Context of data collection in Sri Lanka and Bangladesh

The data for this study were collected through fieldwork in the countries between August 2006 and May 2008. In total, 6 months of fieldwork were conducted in Bangladesh (August 2006 / September 2007 – February 2008) and 7 months in Sri Lanka (January – May 2007 / February – May 2008). Due to the concentration of the garment industry in the urban areas, I mainly operated from Colombo and Dhaka, the capitals of the two countries. In order to get access to data, it was vital to establish the necessary contacts to government officials and representatives of the industry. Many of the early meetings were facilitated by contacts established to research organisations both in Sri Lanka and Bangladesh but also by invitations issued by the Swiss embassies in the two countries and by the support of a Zurich-based consultancy company that provides its services to manufacturers all over the world. In Sri Lanka, contacts to important gatekeepers had already been established during previous fieldwork that was conducted in 2002/03.[160] On some occasions, I was also asked by government ministries, research and training organisations and donor agencies to share my knowledge by giving formal presentations.

The political situation was highly volatile in both countries during the time of research. A few months after a first part of fieldwork in Bangladesh, the so-called caretaker government backed by the outgoing prime minister in 2006 was urged to step down in January 2007 by the army, which installed a new interim government.[161] The beginning of the second part of fieldwork in Bangladesh was, therefore, postponed to the latter part of 2007. The situation in Sri Lanka was dominated by increasing warfare in the northern and eastern parts of the country, which also had its repercussions in the capital.[162] These events made me cut short the first visit to Sri Lanka in 2007. Apart from political instability, Bangladesh was also affected by large demonstrations and riots organised in the aftermath of lethal accidents in the garment industry.[163]

---

160 Gould (2006), p. 80, Neuman (2006), p. 387, Willis (2006), p. 147
161 Hagerty (2008), p. 177
162 De Silva (2006), De Silva (2007), Wickramasinghe (2008), Wickramasinghe (2009)
163 Khan (2008), Staff Correspondent (2008)

Sampling of organisations and interviewees

As can be seem from Annex 1, data was collected from 8 administrative units, 5 associations, 49 firms, 2 donor organisations and 49 training organisations. Whereas the number of potentially critical administrative units, associations and donor organisations was relatively small, that of firms and training organisations was much higher so that the sampling process had to be more theoretically grounded. This process was thus modelled along the lines of the concept of theoretical sampling and was, therefore, aimed at constantly increasing the theoretical knowledge about the respective historical trajectories of the two in-firm and out-of-firm skill formation regimes.[164]

Particularly with regard to the selection of firms, representative sampling would have been tremendously complicated by the fact that accurate statistical data on key characteristics of garment factories units was lacking and that access to firms crucially depended on respective contacts; particularly in Bangladesh, such gatekeepers – mainly representatives of employers' associations – were normally readily available to provide access to the more compliant firms but were virtually absent when it came to organising visits to the less compliant ones. Even though sampling of firms was not strictly guided by defined categories, some categories such as size, geographical location and type of capital invested were – in the course of data analysis – applied in order to relate the qualitative data to structural features of the firms. In Annex 2.1, an overview of all firms visited for the purpose of this research is given; it distinguishes between firms based within Free Trade Zones (FTZ) and those outside (Non-FTZ) and shows that in Sri Lanka, 10 of the firms were within the zones and 9 outside. In Bangladesh, 5 were in the zones and the remaining 10 outside. Once allowed to visit a firm, those were interviewed who were appointed by the senior management to provide me with the respective information. Often, these were human resources and production managers. In smaller firms, I normally interviewed the owners themselves.

When it comes to training organisations, the sampling procedure was guided by the rationale to list, through documentary analysis and a high number of informal interviews, the earliest garment-related skill formation programmes and to subsequently trace, on the basis of documents provided by the respective government agencies and donor organisations, all those which emerged over the course of the years. Both at the technician and at the professional level, all public skill formation organisations catering to the garment industry were included. At the vocational level, I mainly relied

[164] On theoretical sampling see Glaser and Strauss (1967, pp. 45-77).

on theoretical sampling, which meant, at first, randomly selecting a small number of training organisations and to subsequently include some more, in case basic information with regard to the evolution of these programmes was still lacking. Annex 2.2 provides an overview of all training organisations visited for the purpose of this research; it distinguishes between training organisations offering programmes at the craft, technician and at the professional level. It demonstrates that, in Sri Lanka, 18 of the visited training organisations were at the craft level, 2 at the technician level and 3 at the professional level; in Bangladesh, 17 training organisations visited for this research were providing programmes at the craft level, 4 at the technician level and 5 at the professional level. Most organisations, particularly the public ones at the craft level, had to be contacted through the headquarters of the respective government agencies, most of which were either based in Colombo or Dhaka; most of these agencies generally had the intention to partly influence the selection process and often pre-informed the organisations under their purview. At the level of training organisations, I generally interviewed the head of the respective departments and, if possible, some instructors and students.

To understand how national level skill formation arrangements had originated and changed, agency of actors at the national level had to be analysed by either using primary documents or qualitative data collected through interviews with the respective individuals. One main group of individual actors interviewed at the national level consisted of representatives of administrative units in the public service, i.e. of high-ranking officials working for the ministries in charge of education, textile, industrial development and labour, or for government agencies working under the umbrella of a specific ministry. Another important group of individual actors at the national level were representatives of employers' associations and, to a limited extent, of trade unions.[165] The selection of all these individuals normally resulted from information contained in archived documents (e.g. newspaper articles, curriculum documents, project reports etc.) and from contacts established through interviews with individuals operating either at the local or the national level.

Conducting the interviews

The qualitative interviews were conducted with individuals whom I generally met only once. It was, therefore, necessary to build up trust, especially in view of me au-

[165] Trade unions both in Sri Lanka and Bangladesh are hardly involved into the formulation and implementation of training programmes.

dio-recording the interviews.[166] One of the most important strategies was to adapt the overall atmosphere of the interviews to the respective rules of everyday conversation.[167] It thus proved to be an advantage, particularly for interviews held with representatives of associations, firms and training organisations, that through the process of research I became an expert on training for the garment industry, who was not only familiar with many key persons in the trade but also with its "idiolects".[168] On many instances, trust building was facilitated by the fact that I had been introduced to entrepreneurs by some of their business colleagues. Building up trust within a community of industrialists, many of which were strongly interrelated with each other, also meant strictly refraining from entering into any discussion on potentially sensitive issues, e.g. on labour conditions and labour relations.

Interviews with representatives of firms and training organisations were generally guided by a structured questionnaire, which was, however, used as a checklist for much more open interviews that were all audio-recorded.[169] In fact, engaging interviewees in less structured, more narrative forms of interviewing improved the interview atmosphere, contributed to building trust and, therefore, generally resulted in much richer data.[170] Many semi-structured interviews were conducted with senior entrepreneurs, academics and public servants and thus contained rich data on past production and training practices but also on the development of employers' associations and administrative units. Particularly in Bangladesh, many interviews with employees, instructors and trainees were short, targeted interviews that followed – as we will see below – the taking of biographical notes. As documented in Annex 3, in total 165 interviews were conducted.

Any research strategy built upon qualitative interviews needs to be concerned about the accuracy of the qualitative data collected through these means, especially if interviews are conducted in comparatively unfamiliar social settings and in a language – English – which is neither my nor my interviewees' mother tongue. Necessarily, some interviewees would have tried to guess what a researcher from Switzerland expects

---

166 On the need to build up trust in qualitative research in developing countries see Mansoor and Cotton (2006, p. 89).

167 See the notes on „die Regeln der alltagsweltlichen Kommunikation" by Schütze et al. (1981, p. 434); on the need to adapt the organisation of interviews to the business environment see also Trinczek (2002, p. 214).

168 Wengraf (2001), p. 64

169 The structured questionnaires for companies and training organisations can be found in Annex 4 and Annex 5 respectively.

170 Wengraf (2001), p. 5

them to tell. This difficulty was partly aggravated in those cases, where interviews were conducted with the help of interpreters. Furthermore, even within the same organisation, interviewees sometimes provided differing information on institutional arrangements, either by default or by purpose. A human resources manager, who is rather engaged in structuring the processes, may have different information on training within a given firm than the head of a particular department, where training is actually taking place.[171] The problem of accuracy was of particular concern in all those interviews with entrepreneurs, senior administrators or professionals that were structured along the lines of oral history tradition in order to inquire into the historical development of the garment industry and the way skill formation played into it. The main reasons for this have been amply discussed in the methodological oral history literature: First, many interviewees tend to magnify their careers or their leverage over other actors within the system. Second, individuals generally have selective memories, thus eliminating from their cognitive recollection elements that are considered unimportant or not to be fitting into cognitive frames.[172]

In order to contain the problems related to potentially lacking accuracy of individual qualitative interviews, the information was, whenever possible, cross-checked with information gained from similar interviews or with written or statistical accounts of the respective developments. In many cases, interviews that focused on past institutional arrangements were held, indeed, to get access to more documentary evidence. In any event, the overall design of this research also allowed me to ignore potentially inaccurate or obviously contradictory evidence which in many cases was highly idiosyncratic by concentrating on those dimensions of the information which were of real comparative value.[173]

---

171 See Mansoor and Cotton (2006, p. 88), Willis (2006, p. 150); on interviews with the help of interpreters see Bujra (2006, p. 173).

172 On the methods of narrative oral history interviews see Thompson (2000, pp. 222f); on the tendency of public personalities to offer stereotyped recollections see Thompson (2000, p. 242); on the methodology of oral history interviews more generally see Thomson (1998, pp. 588f), Tonkin (1995, pp. 97ff). For oral history approaches to business history see, for instance, Ryant (1988), Tyson (1996).

173 One such example was the elaboration of the historical development of the Sri Lankan Clothing Industry Training Institute (CITI). All individuals involved into its formation gave accounts of a plan to privatise this organisation, which went on during several months in 2002/03. The information emanating from these interviews was contradictory with regard to the driving forces of this plan but was nevertheless very consistent with regard to persons involved into the discussion and in terms of the position of the government and of the employers' association. The theorisation of this information thus concentrated on the consistent information only.

Notes on curricula vitae and fieldnotes

Information on the careers of interviewed managers, administrators and representatives of associations was often collected in the course of the interviews. However, in order to collect data on the educational and occupational biographies of employees, instructors and trainees, short notes on these careers were taken with a simple form that was generally filled in with the help of an interpreter.[174] The forms for instructors and employees focused on educational backgrounds and occupational biographies, whereas the form for trainees also inquired on socio-economic backgrounds, i.e. on the occupation of the parents. On the basis of this biographical information, files were created, which provided – as can be seen from Annex 3 – rich biographical information on individuals of 62 firms and training organisations. On the basis of these notes, some of the interviewees were asked to provide information on specific parts of their biographies, for instance on the way they were recruited by specific firms. These generally very brief, targeted interviews were audio-recorded and subsequently translated and transcribed by the interpreters. It is for this reason, that the number of interviews conducted in firms and training organisations is fairly high.

In order to comprehensively condense the information gained through interviews and the biographical notes, fieldnotes were – as documented in Annex 3 – prepared after visits to 34 organisations; many of these documents contained information on further observations made in the field.[175] Fieldnotes were also recorded in the aftermath of social events to which I was invited (e.g. curriculum development seminars, workshops on industrial or training policies etc.) or of interviews which the interviewees did not allow to be audio-recorded.

Documentary evidence

As this study aims at analysing genesis and change of specific skill formation regimes over time, conducting qualitative interviews would not have been sufficient and needed to be complemented by documentary evidence from other sources. Primary documents were particularly important in this regard. Such documents provided information on the more formalised institutions and on past events and processes, which may not be accurately recollected by interviewees. Indeed, the primary docu-

---

174 For the respective forms which allowed taking notes on the curricula vitae of employees of companies, of instructors and of trainees see Annex 6, Annex 7 and Annex 8 respectively.

175 On different types of fieldnotes see Neuman (2006, p. 399).

ments collected for the purpose of this research were of very diverse nature and drafted by even more diverse actors.

Primary documents collected at the local level included documents by human resources departments, notebooks of instructors and students and curricula developed at training organisation level. Of course, whether or not such documents could be collected depended on whether they were available and on whether I met persons who were both in a position and also willing to share such documents with me. Especially in Sri Lanka, many firms do have documents in which training processes are being defined; but it was, understandably, only in rare cases that such documents were handed over to me.

Primary documents collected at the national level included curricula developed by public training agencies, annual reports by ministries and the agencies under their purview or policy documents, project appraisals and reports by multilateral and bilateral governmental organisations and many other documents, which provided information on the evolution of the skill formation regimes of the garment industry since the first respective institutions emerged in the late 1970s. Collection of primary documents was complicated by the fact that many governmental organisations, including ministries, are not systematically archiving documents on specific projects.[176] In case there were no alternative sources, newspaper articles on specific events were collected. The collection of primary documents generally involved the challenge to also select those papers that not only reflected the researcher's theoretical bias.[177] In this case, however, the range of documents was restricted by the lack of availability, so that, in many cases, I had to take notes or pictures or make photocopies of whatever documents I could find on the respective programmes. In order to complement the information provided by primary documents, I also collected statistical data, e.g. on trade, employment trends and enrolment of particular skill formation programmes.[178]

---

176 In Bangladesh, for instance, the most important primary documents on the first foreign funded project which aimed at developing skills for the garment industry could neither be found at the training centre itself nor at the implementing government agency. One document was finally discovered at the local office of a multilateral governmental organisation, on a stockpile of books ready to be discarded. A second, very relevant document was handed over to me not in Bangladesh but in a Sri Lankan company some months later, when I met with a training manager, who had worked for this project 14 years earlier. In Sri Lanka, most of the ministries have the policy that they dispose of most documents, for want of space, after a period of five years.

177 George and Bennett (2005), p. 99

178 Much of the statistical data may be criticised in terms of the methods through which they were collected by the public authorities; in fact, there are virtually no alternative sources of information. The effects of potential inaccuracies may be mitigated by the fact that the arguments of my

3.3.3 Data analysis

The data gathered by conducting fieldwork and by tracing primary documents and statistical data were the basis of within-case analysis which would then allow me to subsequently engage in cross-case analysis and to theorise on the path-dependent evolution of the in-firm and out-of-firm skill formation regimes in the two countries from a comparative perspective. It was through qualitative within-case analysis that the evolution of these regimes could be causally related to other institutional dynamics within Sri Lanka and Bangladesh.[179]

Following the rationale of methodical triangulation, the very different types of data that were gathered by conducting and transcribing qualitative interviews and by tracing primary documents and statistical data were treated as complementary;[180] therefore, the methods applied in order to analyse data gathered through qualitative interviews did principally not differ from the methods applied to analyse primary documents. Certainly, reflecting on the accuracy of data was more crucial when it came to analysing qualitative interviews, i.e. data which were created for the purpose of this study; however, the need to critically analyse the contexts in which data emerged and the need to cross-check accuracy of data through triangulation whenever possible also extended to the analysis of primary sources and of statistical information.[181]

At first, within-case analysis focused on reconstructing the historical trajectories of the institutional context of the skill formation regimes, i.e. of the political and administrative regimes, of the education and training regimes and of the production regimes. These trajectories were divided, for analytical purposes, into distinct temporal phases, which were characterised by specific critical junctures, for instance by important economic or educational reforms or by global trade agreements. This way of segmenting the respective historical trajectories was finally also reflected in the organisation of the chapters. In order to understand the implications of critical junctures

---

study are not primarily founded on statistical data. On a critique of the Bangladesh labour-force survey, for instance, see Rahman (2003, p. 210).

179 Mahoney (2007), p. 134

180 Virtually all interviews were literally transcribed by the author. Only the targeted, generally very brief interviews that were conduced with the help of an interpreter also involved translations, all of which were undertaken by the respective interpreters. Interviews and fieldnotes will be cited by referring to the respective pages (p.) and lines (l.) in the transcripts. The curricula vitae of interviewees were noted down in tables, the information of which will be cited by referring to the respective line (l.) or paragraph (para.) in the table. An alphabetical overview of the data produced for this study can be found in Annex 9. The tables shown in this annex also help the reader to interpret the codes used as references in the footnotes.

181 On the need to take into account the “cultural and subcultural contexts” in which documents are produced see, for instance, Mangen (1999, p. 118).

in the education and training regimes and in the production regimes, it was important to analyse the timing of these junctures and to scrutinise the actors – and their coalitions, material interests and cognitive orientations respectively – that were involved into the emergence of these junctures. Subsequently, the effects of critical junctures were analysed, namely with regard to the emergence of new actors, e.g. of employers' associations or of social demand for educational credentials emanating from collectively acting students that reacted on incentives provided by a new institutional framework and were subsequently involved into positive feedback mechanisms that also influenced the skill formation regimes of the garment industry.[182]

Second, within-case analysis focused on a description of the evolution of the in-firm and out-of-firm skill formation arrangements over time. This description was guided by the specification of the heuristic model, in which I had defined skill formation institutions, but was flexible enough to include case-specific features that emerged in the process of data analysis. Here, I strongly engaged in historical analysis which traced the evolution of the respective institutions since the early expansion of the garment industries in the two countries and thus reconstructed largely descriptive chronological narratives that can be found in the chapters 8 and 12, both of which conclude the country-specific parts C and D.[183] The elaboration of the largely descriptive narratives of the development of the in-firm and of the out-of-firm skill formation regimes was followed by causal reconstruction that aimed at analysing the causal relations between the evolution of the respective skill formation institutions and the dynamics of their institutional context, i.e. of the education and training regimes and the production regimes.[184] Causal reconstruction was based on the method of process tracing, which meant elaborating the causal mechanisms that led to the emergence of specific skill formation arrangements.[185] In the course of causal reconstruction, one common problem was to understand whether a particular instance of institutional change in the skill formation regime rather resulted from dynamics within the education and training regime or from those within the production regime.[186] In order to

---

182 In both countries, the emergence of associations of garment employers, for instance, was a direct result of economic reforms in the end of the 1970s that provided a new framework of incentives.

183 On chronological narratives see George and Bennett (2005, p. 94).

184 George and Bennett (2005), p. 91, Mayntz (2004), p. 238

185 On process tracing and sequence analysis see George and Bennett (2005, p. 207), Thelen (2002, p. 97).

186 The institutional change of in-firm skill formation could generally relatively easily be related to changes within the production regime. The problem with regard to the out-of-firm skill formation

solve such problems it was important to scrutinise the actors, which were involved into institutional change, but also to engage in sequence analysis, i.e. in an investigation into how the different aspects of institutional change in the industry-specific skill formation regime, in the education and training regime and in the garment production regime were temporally ordered.[187] Similar to hypothesis-testing qualitative research in the social sciences, the causal reconstruction focused, at first, on elaborating the causal mechanisms that were suggested by the causal model elaborated above. However, when it came to the interpretation of specific institutional changes, the hypotheses derived from the causal model often proved inadequate, which resulted – partly already during the process of data collection – in the elaboration of competing explanations, i.e. of empirically grounded, case-specific competing hypotheses that were more adequate to explain institutional change than the hypotheses by Ashton et al.[188] At last, the evidence gathered through within-case analysis was re-assessed from a cross-case analytical perspective, which meant taking analytical explanations to a more abstract level. In view of the similarities and of the differences of the cases, the original hypotheses were reformulated, which finally led to the elaborations of contingent generalisations that can be seen in section 14.2.3.[189]

---

regime was particularly accentuated in the case of organisations, which were – as, for instance, the CITI in Sri Lanka – strongly affected by the agency of actors both in the spheres of education and training and of production.

187 Pierson (2000b), p. 87

188 On the analysis of competing explanations see George and Bennett (2005, p. 91); on many occasions, hypotheses were generated “in vivo”, i.e. in the process of interaction with those interviewed; see Glaser and Strauss (1967, pp. 49-52).

189 On contingent generalisations see George and Bennett (2005, pp. 112f & 119f).

Part B The Global Economic Context

4 The development of the global textile and garment trade

4.1 The development of the textile trade until World War II

Production of textiles and garments has belonged to the most globalised trades for many centuries. Not only is the trade in raw materials and finished goods marked by exchanges between a high number of economic actors in different parts of the world; similarly global is the flow of production technology, capital and skills to manufacture yarn, fabric and garments. Techniques of spinning, dyeing and weaving date back to Neolithic days, the first known textiles having been excavated in *Çatal Höyük* in southern Anatolia.[190] Whereas technology diffused, production generally relied on locally available raw materials. In Europe, textile production was based on linen, leather or wool until the 19th century; however, since ancient times, there had always existed a trade in more luxurious raw materials, for instance in Chinese silk. In the beginning of the second millennium, European traders started to import cotton from various parts of Asia and, after the beginning of the 16th century, from beyond the Atlantic.[191] Cotton textiles became more popular with the imports of Indian cottons from the 18th century onwards, which soon came to compete with European products.[192] In fact, the Indian subcontinent was the largest producer of cotton textiles in the world at that time and Bengal was playing a crucial role in this regard.[193]

Through the Industrial Revolution, however, Britain became the uncontested leader in the production and trade of textiles.[194] With the advent of mechanised power looms, yarn and fabric would now be manufactured in large factories in the urban areas that produced for mass markets in England and in other parts of the world.[195] Whereas, before the Industrial Revolution, production of textiles was dominated by small-scale, often domestic manufacture by skilled spinners and weavers, the new, heavily mechanised textile industry was characterised by the division of labour between skilled technicians, who installed and maintained the machines and controlled the overall operations of the factories, and low-skilled workers, who were involved in the labour-intensive operation of the machines. The technology soon spread to countries in Continental Europe but also to other parts of the world, a process, which was

190 Wilde (2003), p. 10
191 Chassagne (1991), p. 25
192 Lemire (2003), p. 493
193 Ibid., p. 494, Quddus and Rashid (2000), p. 61
194 Farnie (1990), p. 151
195 On technological change in the British textile industry see Musson (1976, p. 417).

partly driven by British exporters of textile machinery;[196] furthermore, skilled British technicians played a considerable role in the expansion of the textile industry in the US and – towards the latter part of the 19th century – in India, where Indian investors built up a high number of mills catering to the market in the subcontinent.[197] More eastwards, Japan became a further important centre of textile manufacture, and in the aftermath of World War II, the NIEs in East Asia – namely South Korea, Hong Kong, Taiwan and Singapore – started to develop their own export-oriented textile industries. It was in these years that not only the trade in yarns and fabrics but also in garments would become increasingly global. The following paragraphs detail some of these developments.

4.2 The development of the garment trade until 1995

Compared to the production of yarn and fabric, the production of garments is less capital-intensive and thus relies more on the extensive use of labour. For this reason, the garment industry is of even more migratory nature than the industrial production of yarn and fabric. When the production of garments in North America and Western Europe started to be too expensive in the 1950s and early 1960s, it was relocated to Japan and later on, mainly in the 1970s and 1980s, to the East Asian NIEs. The next wave of relocations, primarily occurring in the 1980s, took the garment industry to mainland China and several countries in South and Southeast Asia and, later on, also to countries in Latin America.[198] The latest relocation differed from the previous ones in two important respects: First, it did not mainly result from rising wages in the NIEs but rather from import quota imposed on garments from East Asia by governments in the West. These quantitative limits on imports of specific product categories of garments, i.e. of trousers, jackets or underwear, were designed by these countries under the so-called Multi Fibre Agreement (MFA) of 1974 in order to reduce competition from countries with lower wages, which were threatening the remnants of their own clothing industry.[199] Second, the relocation mainly affected one single element of the entire supply chain of the garment business: only the manufacturing part of the commodity chain, the so-called CTM production, i.e. cutting, making and trimming, was outsourced, whereas the more profitable technology-intensive segments were

196 Farnie (1990), p. 150, Jeremy (1998), p. 2
197 Kiyokawa (1983), p. 97
198 Gereffi (1999), p. 49
199 Ibid., p. 51, Joshi (2002), p. 12

retained in the East Asian NIEs.[200] This process was driven by the trader-turned-manufacturers from these countries, who were building up integrated commodity chains.[201] However, even these entrepreneurs were not in a position to manoeuvre freely, as they were involved in the so-called Original Equipment Manufacturing (OEM) part of the supply chain: They were supplying their goods to buyers, i.e. to retailers and branded marketers in the West, who continued to have a relatively tight control as lead firms over the design and distribution of the products, and, quite often, over marketing and merchandising.[202] Depending on experience and on contacts to end buyers, many of the entrepreneurs gradually became full-package suppliers, who had themselves the control over design, merchandising and marketing.[203]

4.3 The development of the garment trade after 1995

The MFA, which had been formulated under the General Agreement on Tariffs and Trade (GATT) in 1974, was finally abrogated in 1995 when it was succeeded by the Agreement on Textiles and Clothing (ATC).[204] This agreement emanated from the Uruguay Round process and prescribed an incremental phase out of the quota system, which meant that exporting nations would be allowed to constantly increase their exports in the restricted categories up to the end of 2004, when the trade was entirely liberalised.[205]

In order to partly protect developing countries from the effects of liberalisation and, perhaps more importantly, to contain the growth of Chinese exports, both the US and the EU started to reduce trade barriers for imports from developing countries: The US entered into a number of free trade agreements: Whereas the North American Free Trade Agreement (NAFTA) facilitated imports from Mexico, the Trade and Development Act (TDA) laid the foundation for countries from the Caribbean, Latin America and the Sub-Saharan countries to enjoy zero-duty preferential access to the US but also compelled them to partly open up their markets for fabric from the US.[206] The EU allowed a number of Least Developing Countries (LDC) to profit from unrestricted access to the clothing market in the EU under the Generalised System of Preferences (GSP). This scheme provided incentives for countries to improve backward-

200 Gereffi (1999), p. 51
201 Loc. cit.
202 Gereffi and Memedovic (2003), pp. 3f
203 Ramaswamy and Gereffi (2000), p. 193
204 Pararajasingham (2006), p. 256
205 Weerakoon and Wijayasiri (2004), p. 252
206 Kelegama and Wijayasiri (2004), p. 25

linkages of the garment industry through its “rules of origin”, which required that a higher share of the value-added of products imported to the EU had to result from production processes located in the exporting country itself. Whereas the growth of the garment industry in many countries had been based on garments being assembled from raw materials imported from more industrialised countries, the GSP regulations thus were aimed at acting as incentives for manufacturers to increasingly use locally produced yarn, fabric and accessories.[207]

In any event, the ATC basically resulted in more competition between producing countries, even though the global trade went on to grow in the decade after 1995. The increase in competition among Asian countries under the ATC mainly resulted from the rising exports from China. In 2002, when the ATC made garment imports be liberalised by 18 percent, China increased its exports to the US by more than 120 percent.[208] Women’s bras were one of the categories coming out of quota in 2002, and it was from China, from where many buyers started to source this item.[209] Further competition arose from manufacturers in India and Pakistan, whose exports had been strongly constrained by the MFA and increased, in 2002, by 23 and 15 percent respectively.[210]

The decade after the formulation of the ATC in 1995, however, did not only result in more competition but also brought two further major changes in the global garment production regime: In fact, competition in the global garment production regime had, for many years, mainly been dominated by the buyers’ concerns with regard to price, quality and lead times. However, with the emergence of social movements in Western countries that denounced labour conditions in the garment industry the world over, buyers had to increasingly consider ethical and social standards of production from the mid-1990s onwards, a tendency, which was not only backed by the ILO and many academic institutions and labour administrations of Western countries but also owed to changing consumer preferences, some of which were increasingly critical of sweatshop labour conditions.[211] This movement led to a number of formal codes of conduct being formulated by retailers and major buyers, the implementation of which was to be monitored by organisations specialised in this field. For manufacturers in

---

207 Bakht et al. (2006), p. 3

208 Own computation on the basis of data – measured in square metres equivalent – in Weerakoon and Wijayasiri (2004, p. 252) and Kelegama and Wickramasinghe (2004, p. 232).

209 Cassim (2003)

210 Own computation on the basis of data in Kelegama and Wickramasinghe (2004, p. 233).

211 Pollin et al. (2004), p. 153

the whole world, themselves pressurised by the rising competition emanating from the phase out of the MFA, this was an additional challenge to be met.[212]

A further development in the years after 1995 was the growing concentration of power in the hands of buyers, which tried to maintain their profits even though customers were increasingly price-sensitive.[213] The major part of buying power – especially in the US – was concentrated in the hands of relatively few retailers such as Wal-Mart and JC Penney, who had increased their market share through mergers and acquisitions.[214] As many of these retailers, along with branded marketers such as Nike and Liz Clairborne, tried to lower costs by reducing the number of intermediaries, there were opportunities for both manufacturers and traders to gain more control over the supply chain. Quite early, this process had started with the traders from the NIEs, who now not only controlled design, merchandising and manufacturing but increasingly promoted their own brands both in East Asia, the EU and the US, and thus became involved into Original Brand Manufacturing (OBM).[215] However, these opportunities were not restricted to entrepreneurs from the NIEs but were available to all those with access to the social networks, skills and technologies necessary for this type of industrial upgrading.

The growth of the garment industry in developing countries from the late 1970s onwards was, in most cases, facilitated by increasing economic liberalisation. Both Sri Lanka and Bangladesh are very important, though distinct examples in this regard. In virtually all countries liberalising their economies, this strategy included regulations that lowered the barriers for imports and provided incentives for private investments. Some countries that aimed at attracting FDI strongly liberalised the tax regimes, so the investors could recoup a major part of their profits, whereas other countries, which rather aimed at strengthening local entrepreneurs, facilitated access to capital.

Economic liberalisation necessarily led to private entrepreneurs being given the opportunity to make use of the availability of a low-cost labour force that started to be engaged in operating the sewing machines, in cutting the fabric or in packaging the finished garments. People from rural areas, often young, unmarried women, migrated to the urban areas to work in the factories for wages that were – and still are – often

---

212 Daniel (2006)
213 Gereffi (1999), pp. 44f
214 Ramaswamy and Gereffi (2000), p. 194
215 Ibid., p. 197

close to the opportunity costs of labour.[216] In many countries, children were heavily involved in production. These characteristics of the industry are nothing recent. The development of the textile industry unleashed by the Industrial Revolution in Europe was based on a similar social dynamics: without the availability of an – often female – "labo[u]r force of almost maximum physical and economic vulnerability", that moved from rural areas to the towns and also included a high number of children, the history of textile industry in Europe might have been quite a different one.[217]

---

216 Nuscheler (2004), p. 67

217 Jeremy (1973), p. 46; on the social transformation during proto-industrialisation in the British textile sector see Brown (1990, p. 591); on France see Chassagne (1991, pp. 26f), Vardi (1993, pp. 110ff); on child labour in British cotton mills see Bolin-Hort (1989, p. 35). On different uses of labour in the German and the British textile mills and the subsequent dissimilarities in the trajectories of the labour movements see Biernacki (1995).

Part C Sri Lanka

5 The development of the political and administrative regime in Sri Lanka

5.1 The political and administrative regime before economic liberalisation

In contrast to most other parts of the Indian subcontinent, the decolonisation process in the then Ceylon had hardly been preceded by hostilities towards the colonial administration and was less accompanied by violent conflicts between the different political, ethnic and religious groups.[218] The transition was smoothed by a number of continuities that outlasted the British colonial period, after Sri Lanka had gained independence from the British empire in 1948 while still formally remaining under the British crown. On the one hand, the political elite basically remained the same: politics continued to be the preserve of the anglicised representatives of the Tamil and the Singhalese communities, which had increased their influence since the British had granted universal adult franchise in the early 1930s.[219] Clearly, the subsequent sociopolitical movement that pressed for Ceylonese autonomy and for increased social equity was initiated by the Singhalese elite and catered to the interests of the poorer strata of the Singhalese population, whose political support had become crucial for local politicians in the aftermath of the introduction of universal suffrage. But both before and immediately after independence, the political process was characterised by the expatriate, Singhalese and the Tamil elite Tamils cooperating each other.[220]

On the other hand, political institutions after 1948 were based on a constitution that had been framed by the British and were aimed both at integrating minorities and at further expanding the welfare system that had become an important aspect of preindependence social policy.[221] This rosy picture was corroborated by the positive financial situation of the treasury and made many international observers assume that Sri Lanka would be the “first potential case of development success among newly independent nations”.[222]

Already in the beginning of the 1950s, however, economic development stagnated, with incomes from exports decreasing and the financial situation of the treasury

---

218 Bose (2004), p. 108
219 Ibid, Jayasuriya (2000), p. 95, Kelegama (2006), p. 20
220 Jayasuriya (1969), p. 83
221 Bose (2004), p. 108, Jayasuriya (2000), p. 96, Roberts (1998), p. 49
222 Abeyratne (2004), p. 1296

worsening due to the high consumption of import goods. At the same time, the consensus between the political elite began to fragment and from now the Singhalese-Buddhist elites began to prevail both over the Anglicised, Christian elite and over the Tamil minority. This development was symbolised by the formation of the Sri Lanka Freedom Party (SLFP) in 1952 by S.W.R.D Bandaranaike, a descendant from a Singhalese bourgeois family, who had himself been a member of the governing UNP and now embarked on a strategy that used nationalist sentiment and socialist ideology as means of gaining popular support.[223] The new party and his leader came into power in 1956, a year, which was to mark a watershed in different aspects of policy making. First, the open economic policy of the UNP government was replaced by policies which aimed at developing an industrial infrastructure through the means of import-substitution. Second, the welfare orientation of social policy was tremendously increased.[224] Third, the new government honoured its election promise and made Singhalese the only national and official language, a change, which marked the beginning of the marginalisation of representatives of the Tamil communities from the North and East both in politics, in the administration and in the armed forces.[225] These policies were accentuated under Sirimavo Bandaranaike, who took over as prime minister after her husband had been murdered by an ultra-nationalist Buddhist monk in 1959. Apart from an intermezzo with a UNP government from 1965-1970, Sirimavo Bandaranaike and her party would stay in power up to 1977. Her post-1970 coalition, which also included a number of representatives from the communist party, was fast to re-adjust some of the changes in economic policy introduced during the previous UNP government and to draft a new constitution which ended the formal authority of the British crown over a state now to be called “Socialist Republic of Sri Lanka”.[226]

No longer than a year after the electoral victory of the SLFP, the new government was confronted with an insurgency by the Janatha Vimukthi Peramuna (JVP), a nationalist-Marxist political movement, which mainly consisted of young students from the Singhalese parts of the country.[227] Both representatives of the government and experts were basically of the view that the main reason for the insurrection was youth unemployment, caused by an educational expansion, which wasn’t matched by re-

223 Jayasuriya (2000), p. 98, Jayawardena (2007), p. 349, Abeyratne (2004), p. 1303
224 Kelegama (2006), p. 21
225 Bose (2004), pp. 109-111, Jenne (2003), p. 227
226 Ministry of Planning (1971)
227 Abeyratne (2004), p. 1298

spective economic growth.[228] For the first time after 1948, Sri Lanka was on the brink of civil war, and even though the government was able to oppress the insurgency, the JVP uprising marked an increasing fragmentation of the state's legitimacy.

5.2 The political and administrative regime after economic liberalisation

In the following years, the government tried in vain to address the perceived root causes of the insurgency but neither achieved to spur growth nor to substantially reduce unemployment. The opposing UNP thus came into power through a land-slide electoral victory in 1977; thereby, the party was not only backed by its traditional support base, the westernised, urban middle-class, but also by the poorer strata of the Sri Lankan society.[229] This political support enabled the new government to initiate sweeping reforms. On the one hand, the new cabinet decided to abolish the inward-looking economic policies: it planned to embark on an export-led industrial strategy, to drastically reduce the protection of its own industry and to introduce structural adjustment programmes, which were to reduce the role of the state in industrial production and to partially dismantle the welfare-state.[230] On the other hand, the electoral defeat inflicted on the ruling SLFP enabled the UNP to re-design the constitution in a way, which strengthened the position of the president and thus the power of its own leader, J.R. Jayawardena.[231]

Whereas the overall economic effects of the changes in economic policy are disputed, it is hardly debated that the economic reforms increased social inequalities in the following years.[232] The small westernised middle-class was given more opportunities to get involved into global trade and industry but the less privileged strata of society, living far away from the employment opportunities created in the urban areas, were more often than before living in poverty and suffering from poverty-induced malnutrition.[233] The increase in social inequalities was paralleled by further political fragmentation: in 1988 and 1989, Sri Lanka experienced a renewed insurgency by the JVP, which was quelled by the UNP government under president Ranasinghe Premadasa; again, the uprising by frustrated Singhalese youths from rural areas cost thousands of lives. The main challenge to the state's legitimacy would, however, start

---

228 Hettige (2000), pp. 328f, Kearney (1975), p. 728
229 Shastri (2004), p. 241
230 Abeyratne (1998), p. 367
231 Jayasuriya (2000), p. 103
232 Lakshman (1996), p. 18
233 Hettige (1995), pp. 97-99, Id. (2000), p. 33, Kelegama (2006), p. 23

to emanate from radical representatives of the Tamil community: the inability of the post-1977 government to address the concerns of the Tamils in the north and the east of the country, the rise of unemployment in these areas and the subsequent formation of militant groups sparked off a civil-war in 1983, which, since then, has cost several tens of thousands of lives, saw times of both intense warfare and cease-fires and now belongs to the most protracted ones in the world. The most recent military campaign started under the presidency of Mahinda Rajapaksa in 2006, which led the Sri Lankan army to recapture, by end of 2008, most territories previously lost to the LTTE, the Liberation Tigers of Tamil Eelam.[234] The war not only came at tremendous humanitarian costs but also increased the migration of skilled human resources to other parts of the world and meant a constant drain of public resources from different policy domains into warfare and a threat to sustainable economic development.[235] Most crucially, however, the war further decreased the legitimacy of the central state, which lost most of its ordering functions in the war zone and in the areas governed by the LTTE.[236] In the other parts of the country, the war was increasingly used by the respective governments to divert public attention from their inability to address slackening economic growth and corruption.[237]

Whereas the UNP government addressed the alienation of the Tamil community from the central state through military means, it launched social-policy programmes in the southern part of the country that would mitigate the hardships for the poor caused by economic liberalisation and the partial dismantling of the welfare-state.[238] President Premadasa from the UNP, in power from 1988 to 1993 and under tremendous pressure from the 1988/89 uprising, thus initiated schemes to take economic growth to the rural areas through programmes for electrification, housing and job creation.[239] Even though these measures were popular among most sections of the Singhalese community, state institutions were further weakened under Premadasa by increasingly ruthless autocracy, political patronage and crony capitalism, which was aimed at strengthening the power of the UNP.[240] After Premadasa was killed by the LTTE in 1993, not only had the animosities between the two main parties increased

234 Wickramasinghe (2009), p. 59
235 Arunatilake et al. (2001)
236 Jenne (2003), p. 223, Korf (2005), p. 213
237 Wickramasinghe (2009), p. 64
238 Gunatillake (1999), p. 204
239 Jayasuriya (2000), p. 106
240 Ibid., pp. 107-109

but even the UNP itself was fractured, which forced it to enter changing political coalitions and finally to rely on a cabinet with 91 ministers in 1994.[241]

In the same year, the UNP lost the elections and had to give way to the first SLFP government since 1977. Under the new government controlled by Chandrika Bandaranaike-Kumaratunga, the daughter of two former prime ministers, the weakening of state institutions continued and the war in the north came to a new climax in 1997. After a period with a relatively stable coalition, president Bandaranaike-Kumaratunga had to accept a co-habitation government in 2001, when the opposition UNP won the elections. In order to bring her party fully back into the cabinet, she entered a political agreement with the JVP, the movement behind the insurgencies of 1970 and 1988.[242] This strategy prepared the way for a former labour minister, Mahinda Rajapaska, to become president of the country with a waver-thin margin in the elections of 2005.[243] As promised in his election manifesto, the government soon engaged in a major military campaign against the LTTE, which made most international observers criticise the human rights record of Sri Lanka;[244] at the same time, nepotism and coalitional politics reached new heights: several of the president's family members were taken into the cabinet or into high-ranking administrative positions, and the cabinet was enlarged to accommodate more than 100 politicians, which duly reflects the insecure political backing of the president even in times of intense warfare that has the support of the majority of the Singhalese population.[245]

The process of political fragmentation, mainly but not exclusively spurred by the effects of civil war, was paralleled by a substantial erosion of the capacity of Sri Lanka's administrative system to implement public policies. At the time of independence, administrative weaknesses partly resulted from the lacking accountability of public servants, which were not duly overseen by the parliament and by other watchdog bodies.[246] In the following decades, the administration's weakening capacity to implement public policies, however, mainly resulted from increasing politicisation, which was itself the effect of a number of institutional transitions: first and quite early, the implementation of long-term oriented development policies was undermined by the formulation of short-term measures, many of which were set by politicians using

241 Ibid., p. 110
242 Shastri (2002), p. 180
243 De Silva (2006), p. 119
244 Wickramasinghe (2009), p. 64
245 Id. (2008), p. 196
246 World Bank (2000d), p. 24

the welfare state to gain merit "by the giving of alms".[247] Second, the social composition of the public service started to be increasingly influenced by politicians: at the time of independence, Ceylon's public service was controlled by a cadre of elite civil servants, which were clearly at the centre of governance and were appointed, transferred, dismissed and disciplined by the comparatively independent Public Service Commission. The relatively insulated position of these civil servants decreased with the growing number of public servants from other categories, many of which lacked the elitist social backgrounds of the civil servants and often were recruited on political grounds, and virtually ended with the transfer of the powers of the Public Service Commission to the Cabinet of Ministers in 1972.[248] Third, implementation of policies and regulations was more and more depending on potential political linkages of the organisations and the individuals concerned. An employer breaking labour-law, for instance, did not have to fear administrative sanctions, as long as his contacts to politicians at the local or at the national level were intact.[249]

Political analysts generally agree that the extent of politicisation of the administration increased during the years of president Premadasa.[250] Most visibly, the overall employment in the state sector rose by 15 percent during 1989-1993, which made Sri Lanka the country with the comparatively biggest public sector in Asia.[251] Less obvious but similarly crucial was the growing partisan control over public servants, who were at times personally accountable to the president, having to by-pass their ministers.[252] Thus many projects, most prominently the 200 Garment Factories Programme and the large-scale poverty programmes of the early 1990s, were basically not formulated because they were in line with a long-term development strategy and were regarded to be feasible but rather as they promised to yield visible results within the shortest time possible.[253] Correspondingly, the implementation of projects and programmes was constantly at risk of failing and was penetrated by political patronage, as analyses of the mentioned programmes showed.[254] In 2001, the negative effects of partisan influence on public servants led the parliament to pass the 17th Amendment to the constitution, which was meant to partly restore the independence of the public

247 Peiris (1993a), p. 188
248 Fernando (2005), p. 69
249 Gunatilaka (2001), p. 6
250 Dunham and Kelegama (1997), p. 187
251 Ibid., p. 184, World Bank (2000d), p. 22
252 Peiris (2002), p. 546, Wanasinghe (1994), p. 18
253 Dunham and Kelegama (1997), p. 186
254 Ibid, World Bank (2000d), p. iii

service.[255] Its implementation, however, remained difficult and was made virtually possible by increasing warfare after 2005, which was, in fact, paralleled by a further growth of the public sector and rising concerns about wide-spread corruption among state officials.[256]

The political and administrative regime of Sri Lanka has become tremendously characterised not only by over-politicisation and decreasing administrative capacity but also by a constant flow of aid from multi- and bilateral donor agencies. After 1948, the then Ceylon, integrated into the global economy through its exports of commodities, mainly received aid from other Commonwealth countries under the Colombo Plan but also from the US, which tried to strengthen its ties with the newly independent countries and thus rendered its support to develop the economic infrastructure.[257] In 1951, a first World Bank mission visited the country, advising the planners not to alter the economic structure that relied on exports of primary goods and signed a project which was to support the power infrastructure.[258]

Soon, decision makers in Sri Lanka had to realise that aid was disbursed on the grounds of ideological and geo-political motives: the Bandaranaike government, coming into power in 1956 and more inclined towards strong state involvement in industrial development, found itself faced by the strong critique of the World Bank, which reduced its aid and made other countries in the West reduce their financial support, the US discontinuing its aid efforts entirely.[259] At the same time, aid from the socialist block, mainly from Eastern Europe and China increased.[260] These socialist ties were to sustain into the 1970s, when Sri Lanka was governed by the leftist SLFP and ran into even greater difficulties in getting the support from the World Bank and the major bilateral donors from the West.[261]

The economic reforms of 1977 and the subsequent structural adjustment programmes were not only highly welcomed by these countries but were also directly supported by the World Bank and the International Monetary Fund at an unprecedented level, allowing the new government to make aid a major element of development policy.[262] In the aftermath of the end of the Cold War and of the increasing war

---

255 Fernando (2005), p. 83
256 Wickramasinghe (2009), p. 63
257 Bastian (2007), pp. 32f
258 Ibid., p. 39, Lakshman (1987), p. 58
259 Bastian (2007), p. 38, Lakshman (1987), pp. 65f
260 Bastian (2007), pp. 36f
261 Ibid., p. 42
262 Ibid., p. 46, Lakshman (1987), pp. 80-87

against the LTTE, the influx of aid to Sri Lanka started to decrease after 1990 but donors backed economic reforms and supported social development programmes, which would mitigate the hardships of economic liberalisation for the poor.[263] It was from these years, that donors began to increasingly coordinate their activities and not only to influence economic and social policies but also to ask the government to improve the overall governance of the country.[264] Furthermore, at the level of planning itself, the process to design the Poverty Reduction Strategy Papers has led to the formulation of development plans, which are not only aimed at getting the support of donor agencies for high-profile projects but are also structured along the lines designed by the World Bank and are normally written by consultants working outside the public service.[265] Following the Tsunami, which hit many parts of the coastal areas in Sri Lanka, aid agencies again dramatically increased their funding. These funds, however, mainly came in the form of humanitarian aid and were generally invested into rehabilitation programmes.[266] The funds of one of these programmes would also be used to start training centres for the garment industry. Long before we, however, enter into an analysis of the respective events, I now turn to the education and training regime of Sri Lanka.

263 Bastian (2007), p. 50, Dunham and Kelegama (1997), p. 185, Gunatillake (1999), p. 204
264 Dunham and Kelegama (1997), p. 187
265 Department of National Planning (2007), Government of Sri Lanka (2002)
266 Stirrat (2006)

6 The development of the education and training regime in Sri Lanka

6.1 The education and training regime before economic liberalisation

At the beginning of the 20th century, Ceylon's educational system mirrored the segregation of the colonial society into two economic and cultural spheres: Fee levying, denominational English medium schools that were designed along the lines of British grammar schools exclusively existed for the predominantly Christian and Anglicised indigenous elites.[267] These schools prepared their students for the universities in England or for the few higher education organisations in the island. In fact, as both the expatriate and the indigenous elite of the then Ceylon generally sent their breed to universities in England, the growth of university education in the colony itself was slow. At the end of British rule, there were only the Medical College, the Law College and the University College, which prepared students for examinations held by the University of London.[268] It was through these educational organisations that the colonial subjects could enter the socially prestigious positions in the modern sectors of the labour market, which consisted, at that time, of the local administrative service and of the companies exporting commodity goods to Western markets.[269]

The majority of the Ceylonese population, however, attended inferior elementary schools that operated in the indigenous languages.[270] These schools were – to a certain extent – alphabetising the masses but did not allow them to proceed on the educational ladder and thus prevented them from entering the socially prestigious positions in the modern sectors of the labour market.[271] In the second part of the 19th century, a number of training organisations were developed which, in the widest sense, continued this alternative ladder of education and can be considered to be the first educational organisations formally imparting technical skills in Sri Lanka: after 1859, Evangelical missionaries started to establish industrial schools that provided agricultural and craft training. In the years up to 1925, 125 of them were established both in urban and rural areas and were, after having run into financial difficulties, subse-

267 Jayaweera (1979), p. 133
268 Ibid., p. 134, Id. (1988), p. 19
269 Id. (1979), p. 133
270 Ibid.
271 Hettige (2000), p. 326

quently taken over by the Department of Education.[272] These industrial schools had initially been dedicated to overarching educational and socio-political goals but increasingly focused on preparing their clientele for employment in the industry in the years between the two world wars, when a modern, state-funded industrial sector was gradually emerging. The schools thus came under the Department of Industries and were complemented by skill formation programmes by various government departments. These organisations provided training both in general and specialised craft and operative skills for their employees to make them manage and maintain public utilities such as government printing offices and railway workshops.[273]

In order to train technicians, the colonial administration opened the Government Technical College in 1893, which was designed along the lines of the Technical Schools in Britain and was administered by the Department of Education.[274] This college provided their trainees with a more elitist technical education that was strongly oriented towards its models in the West: the college offered a student exchange programme with similar colleges in England and, after 1933, started to prepare students for the Associate Membership examinations of the three major professional institutions in Britain, which enabled the successful candidates to eventually qualify as chartered engineers.[275] Thus, a dualistic system of vocational and technical education and training emerged: on the one hand, there existed practically oriented training organisations that were attended by students coming from inferior elementary schools, that were not operated by the educational administration and that prepared students for positions at the craft level in the public sector. On the other hand, there existed elitist technical education organisations that followed highly academic curricula, that were governed by the educational administration and that prepared their students for the higher technical positions. This strong dichotomy would from now characterise the emerging formal skill formation regime in the country.

In 1931, some years after universal suffrage had been granted to the Ceylonese, the first chairman of the Executive Committee of Education in the State Council, C.W.W. Kannangara, initiated a range of reforms, which revolutionised the traditional colonial education system: every child in the country was to have the right of free education up to university. The ideological core of these reforms was „[to] leave the

---

272 Ratwatte (1987), p. 8, Tertiary and Vocational Education Commission (1992), p. 10
273 Ibid., p. 11
274 Mahalingam (2000b), p. 65
275 Ibid., p. 66

patrimony of the rich to the inheritance of the poor", the premise of the then socio-political movement that pressed for Ceylonese autonomy and for increased social equity.[276] This movement was initiated by the Singhalese elite but mainly catered to the interests of the poorer strata of the Singhalese population, whose political support had become crucial for local politicians after the introduction of universal suffrage.[277]

In the direct aftermath of these reforms and thus already before the end of British rule in 1948, enrolments into primary and secondary schools strongly increased and they were boosted by further reforms. In the decade after independence, all government schools were made to teach in the vernacular languages and, in 1961, private denominational schools were nationalised; again, both reforms reflected the weakened leverage of the Anglicised elites and the increasing political power of the distinctly Singhalese elites, who wanted the educational system to contribute to the development of an autonomous, Singhalese and socially equitable nation.[278] Similarly, the university education system underwent dramatic changes, which were closely linked to the expanding number of secondary-school leavers wanting to enter the higher education system. At the time of independence, entry into university was still restricted to a limited number, as there were not many English medium schools which prepared students for the English medium universities.[279] But the post-1956 SLFP government decided to introduce programmes in the vernacular languages and to establish, practically over night, more universities and to transform two centres of Buddhist learning into universities.[280] These reforms had, indeed, considerable effects: the number of university degrees awarded rose from 533 in 1959 to 4614 in 1968.[281] The elitist monopoly of university education thus eroded, so that in 1976 40 percent of students' parents had a working class occupation background.[282] But as there were not many science schools in most parts of the country for many years, the expansion of the university system was most articulate in arts and social sciences.[283]

All these reforms caused a social demand for education which was soon to exceed population growth and to change the educational system more than educational pol-

---

276 Special Committee on Education (1943) cit. in Jayaweera (1998), p. 312
277 Jayasuriya (1969), p. 83
278 Ibid., pp. 84-91, Jayaweera (1998), p. 313
279 Id. (1988), p. 19
280 De Silva (1995), p. 26, Jayaweera (1979), p. 137, Kearney (1975), p. 730
281 Loc. cit.
282 Jayaweera (1979), p. 142
283 Malalasekera (1969), p. 883, Pathmanathan (2000), p. 3

icy itself.[284] In the first years after independence, high educational achievements were, in fact, related to social upward mobility. But although public opinion ascribed individual socio-economic advancement to educational careers, this type of mobility was not so much a consequence of educational expansion but rather a result of the expanding number of jobs in the public sector that were assigned on the basis of educational qualifications.[285] As, however, the jobs with attractive salaries and corresponding social prestige were soon dramatically outnumbered by secondary school leavers and university graduates, employers soon asked for ever higher educational qualifications.[286] In fact, the number of jobs in the modern sector increased, between 1951 and 1971, by no more than 1.5 percent per annum on average, which was low compared to the increasing number of secondary school leavers in these years.[287] Nevertheless, the reputation of the educational system as an instrument for social upward mobility was not curtailed. Thus, especially students from the lower socio-economic strata continued to be prepared to bear the opportunity costs of education and to hope for social advancement, even if it was to be less and less realistic. This increasing demand for education successively made the value of educational credentials on the labour market decline from the 1960s.[288]

Even though the Kannangara reforms had revolutionised the colonial education system and had laid the foundations of the expansion of the education system up to the university level in the post-independence period, they did not contribute to a similar expansion of technical and vocational education and training organisations. In fact, the traditional apprenticeship system, which had dominated skill formation in the largely informal, rural labour market, was undermined by the spread of general education, and the expansion of the formal skill formation system stagnated, as it did not offer any comparable opportunities for social mobility to its trainees and as it was, for long, no political issue through which politicians attempted to gain popular support.[289] Beyond that, the reforms did not undermine the dichotomy between the practically and the academically oriented skill formation organisations, which was, in fact, further corroborated by the policies of the governments prior to the economic liberalisations in 1977.

---

284 Jayaweera (1998), p. 313
285 Hettige (2000), p. 326
286 Lewin and Little (1982), p. 19
287 Ibid., p. 13
288 Richards and Goonaratne (1980), pp. 147f
289 Ratwatte (1987), p. 9

The first post-independence government led by the elitist and Anglicised UNP did not consider vocational education a priority and only established some academically oriented Junior Technical Schools and Junior Polytechnical Institutes under the Ministry of Education. Under its rule, the first engineering degrees by a Ceylonese university were awarded in 1953, after the Faculty of Engineering had been established under the University of Ceylon.[290] Initially, only 25 students were enrolled annually.[291] Entry into the higher technical education system thus remained virtually confined to the young of the upper socio-economic strata of society, who attended one of the few science oriented secondary schools in the country.[292]

It was only with the coming into power of the SLFP and the advent of import substituting industrial policies in 1956 that practically oriented vocational education programmes were expanded.[293] In contrast to the UNP government, the SLFP government designated the Labour Department to be the key agency for this expansion. This department therefore started to estimate skill needs of the nascent public and private industries with manpower-planning techniques and to set up a wide range of training programmes, focussing on the accelerated training of skilled workers for the industry.[294] A next phase of expansion of vocational education took place under the left-wing SLFP government between 1970 and 1977, which aimed at reducing educated unemployment after the riots of 1971 led by young insurgents in the South of the country: the new government introduced pre-vocational studies at the junior secondary level to familiarise students with the world of work and also established the National Apprenticeship Board.[295] This organisation was to formalise industrial apprenticeship training, which, up to that moment, had primarily existed in some of the private, often British owned companies.[296] Only gradually, the SLFP government also expanded higher technical education: after 1956, the intake into the faculty of engineering, located on the premises of the Peredeniya Campus of the University of Ceylon, was increased from 25 to 50, which was still low compared to other disciplines.[297] At the same time, the earlier Government Technical College was gradually developed

---

290 Mahalingam (2000a), p. 69
291 Id. (2000b), p. 10
292 Malalasekera (1969), p. 883, Pathmanathan (2000), p. 3
293 Leeratne (2001), p. 52
294 Tertiary and Vocational Education Commission (1992), p. 11
295 National Apprenticeship Board (1973), Parliament of the Democratic Socialist Republic of Sri Lanka (1971)
296 Tertiary and Vocational Education Commission (1992), p. 11
297 Mahalingam (2000b), p. 10

into a second technical university campus, which was located in Moratuwa, some 30 kilometres south of Colombo, and made to offer a further engineering degree course in 1972.[298]

6.2 The education and training regime after economic liberalisation

6.2.1 The overall development of education and training

The economic reforms of 1977 were the most far-reaching policy changes in Sri Lanka's post-independence history. Necessarily, the incentives created for the promotion of the private sector, the partial curtailment of the welfare system and the subsequent overall increase in social inequality had dramatic consequences for the further development of the education and training regime of the country.

First, the drop of public expenditures for educational development and social programmes, which reached an all time low in 1985, made overall literacy and numeracy rates decline for the first time since approximately 1950; children from socio-economically more disadvantaged families were most affected by this development.[299] Second, the public education system started to lose its importance as a mechanism which screened individuals on the basis of a given set of requirements and allocated them to respective positions in labour market. This was not only due to the fact that higher poverty incidence made access to education more difficult but also as the role of the state as the main employer of school leavers and university graduates declined: whereas in 1977, 40 percent of employees in the formal sector were employed by the public sector, the respective figure was at 33 percent in 1992.[300] Nevertheless, school leavers coming from the lower socio-economic strata continued to seek state employment: certainly, such positions were considered socially prestigious and secure;[301] beyond that, however, employment in the higher echelons of the private sector could normally only be required educational credentials but also traits of the higher middle-classes, e.g. fluent English skills and broad, westernised general knowledge, which were not imparted to a sufficient extent by the general education system.[302] More than 90 percent of employment opportunities created in the aftermath of the opening of the economy in 1977 were, indeed, created in

298 University of Sri Lanka (1974)
299 Alailima (1995), p. 5 1995 p. 5
300 Hettige (2000), p. 331
301 Id. (1995), p. 104
302 Id. (2000), p. 331

the private sector but these jobs, often in the manufacturing industries, were labour-intensive, neither required high level educational qualifications nor the traits of the higher middle-classes and didn't provide secure and comparatively satisfactory wages.[303] The inflation of educational credentials was thus further fuelled by the economic liberalisation, not despite but because of the fact that social mobility through the means of educational qualifications had become restricted.[304] This development further increased the public pressure to make curricula more academic, the extent of rote-learning and the importance of private tutoring.[305]

A third structural change within the Sri Lankan educational system, which was strongly interrelated with increasing competition with regard to the entry of school leavers into the labour market, was the re-emergence of private education and training organisations after 1977. In fact, such organisations had been officially banned in Sri Lanka since the early 1960s, when the then government attempted to undermine the elitist admission procedures of private denominational schools. After 1977, however, when social inequalities were rising again, sending children to private schools outside the deteriorating public educational system became an important strategy of parents from the old and the new upper middle-classes, which were profiting from a more open economy.[306] In their eyes, the credentials even of the more privileged state schools had lost their social standing and no longer guaranteed the entry into an overseas university or to a high-paying position in the private sector, both inside and outside Sri Lanka. Private education and training organisations were attractive to this part of the population, as these schools regulated entry not only by the means of academic criteria but also through fees and were thus not affordable to the poorer strata of society.[307] The ban on private schools was never officially abrogated, and the Ministry of Education, thus, never obtained the competency to accredit private schools. Instead, these organisations, mainly international schools and foreign degree-awarding organisations, are now being treated as conventional commercial ventures, which have to register along the lines of the Companies Act. Private organisations have also developed in the field of training and there the respective ministry set

303 Rodrigo (1993), p. 265
303 Ibid., p. 227
304 Jayaweera (1998), p. 324
305 De Silva (1994)
306 Jayaweera (1998), p. 315, Lakshman (1996), p. 31
307 On the growth of private degree-awarding organisations in Sri Lanka see Little and Evans (2005).

up a mechanism, which compels these organisations to get registered and accredited if they want to profit from subsidies or to award nationally recognised certificates. The absolute number of private training centres cannot be determined exactly; evidence, however, suggests that the supply is strongly interrelated with social demand and thus with the dynamics in the labour market.[308]

A fourth crucial development within the post-1977 education system was the increasing importance of donor agencies in the sector. Indeed, their involvement had existed before but the influx of aid grew rapidly after the opening of the economy, and it was mainly the World Bank and, in its footsteps, the Asian Development Bank, which were spearheading this surge. In most of the 1980s, the focal point of donor intervention was the vocational education system, which was considered to be lagging behind other countries in the region.[309] At the same time, donors also supported the establishment of the Open University and its development of vocationally oriented programmes.[310] Corresponding with the policy change within the Education Department of the World Bank in the 1980s, the World Bank began to substantially reduce its support to vocational education and to increase its lending to general education.[311] Towards the end of the 1990s, the Asian Development Bank resumed its lending to the vocational education sector; at the same time, the overall university system, which hadn't received any major aid since the beginning of the 1980s, was made a beneficiary of two major projects by the two multilateral banks.[312] In the following, I briefly some key trends in the development of technical and vocational education and training.

6.2.2 The development of technical and vocational education and training

In 1976, only 0.4 percent of all students of the entire Sri Lankan education and training system were enrolled in vocational and technical education and training; this share was lower than the respective figures of any other country in the whole of Asia at that time.[313] Therefore, the new government coming into power in 1977 embarked on a strategy to increase enrolment at all levels of this segment of the education and

---

308 Little and Evans (2005), p. 189
309 British Council (1994), p. 6, Dayaratne (1980), pp. 229f, Ministry of Policy Planning (1984), p. 112
310 Open University (1985)
311 Ministry of Policy Planning (1984), p. 112
312 Asian Development Bank (2003), World Bank (2003), p. 14
313 Dayaratne (1980), pp. 229f

training system through higher total capital investments, a strategy, which coincided with the willingness of donors to finance respective projects.[314]

One important emphasis of government intervention lay on the expansion of the practically oriented skill formation programmes. A number of these programmes aimed at training skilled workers for the emerging export-oriented industries. As the development of such programmes was considered to be a priority by many policy makers and also by donor agencies, new projects were implemented under different ministries:[315] two subsequent training projects for the construction industry, the First and the Second Vocational Training Project, came under the Ministry of Local Government, Housing and Construction and were financed by the World Bank, which aimed at training both semi skilled operators and mechanics and supervisors in the construction industry.[316] Another project that established a training centre for middle-level technicians in Katunayake, close to the newly opened Free Trade Zone, came under the Ministry of Youth Affairs and Employment and was supported by UNDP.[317] The practically oriented skill formation programmes that had traditionally been offered by the Ministry of Labour were further expanded under government patronage but only enjoyed very little backing from donors. In contrast to the skill formation programmes that catered to the export industry, these programmes aimed at "providing technical/vocational training to unemployed youth and school leavers, to become employed and self-employed" and thus had a distinctively socio-political focus.[318] This focus on training unemployed youth, many of which were living in rural areas, implied that these skill formation programmes were, in contrast to those catering to the emerging export industry, conducted with very limited contact to the representatives of the private sector.[319]

Another important emphasis of government intervention lay on the expansion of the more academically oriented skill formation programmes. On the one hand, the Technical Schools under the Ministry of Education were supported by the Technical Education Project that was jointly funded by SIDA, UNDP and ADB.[320] On the other hand, the government established, with aid from a number of donors, the Open University,

---

314 Employment and Manpower Planning Division (1987), p. 81
315 Daily News (1981)
316 Ministry of Policy Planning (1984), p. 112, World Bank (1986), p. 11
317 Wijenayake (1981), p. 101
318 Employment and Manpower Planning Division (1987), p. 123
319 Ratwatte (1987), p. 25
320 Employment and Manpower Planning Division (1987), p. 81, Ministry of Policy Planning (1984), p. 164

which was mandated to offer a wide range of fee-levying technical, vocational, and science based courses at the certificate, diploma and degree level through distance education methods. The reasons for the government to establish the Open University were certainly distinct from those underlying its patronage to other skill formation programmes. In fact, the Open University was aimed at being instrumental in lowering the social barriers to university entrance, which were still enormous in 1977: only 5.9 percent of all applicants gained admission and only one percent of the age group of 20-24 was enrolled into university education.[321] Thus, there was strong pressure upon the politicians, who were accused by the opposition to further social inequalities.[322] As the World Bank, however, was of the view that the expansion of the university education system should not occur through a further increase of enrolments into arts and social sciences and as, at the same time, the existing science and engineering faculties lobbied the government to retain the elitist entry system to their faculties, the introduction of technical, vocational, and science based university courses at the Open University that were open to anyone but weren't operating under the University Grants Commission was a solution acceptable to all the main stakeholders involved. The implementation of these plans, however, met with a number of technical difficulties. The main problem was high student attrition, which resulted from organisational and pedagogical weaknesses and from many students finding it hard to combine work and education.[323]

Despite the limited success of the Open University, the annual intake into formal skill formation programmes started to rise, most prominently so between the years 1981 and 1983.[324] The increasing number of training programmes was met by a respective social demand, which followed from changes on the labour market: in fact, the opening of the economy resulted in the wages of technically and vocationally trained persons becoming partly higher than those of clerical and allied grades.[325] The value of credentials from formal skill formation programmes thus increased, as they provided school leavers from the general education system with the opportunity to gain further comparative advantage over their competitors in the labour market. Paradoxically, this dynamics would lead to most skill formation programmes becoming more academically oriented.

---

321 Jayaweera (1988), p. 25
322 Open University (1985), p. 4
323 Id. (1986), p. 5, Wanasinghe (1989), p. 1
324 Employment and Manpower Planning Division (1987), p. 40
325 Ibid., p. 81

As briefly discussed above, the enthusiasm by the decision makers at the helm of the World Bank with regard to the potential effects of vocational education and training gave way to a more sceptical attitude vis-à-vis state-funded vocational training towards the end of the 1980s both at the global level and in Sri Lanka itself. Echoing the World Bank's respective key document of these years, the World Bank funded Marga Study concluded that overall productivity of employees in Sri Lanka could more efficiently be enhanced through a combination of general education and on-the-job training than through state-funded training programmes, which were too academic and were not oriented towards the demand from the labour market. [326]

In these years, the World Bank, in conjunction with other donors, therefore initiated a number of relatively low-cost technical assistance projects, which aimed at enhancing the involvement of the private sector into coordination and delivery of training. The most straightforward attempt was the plan to establish a Skills Development Fund, which would be formed along the lines of "similar successful schemes in Singapore, Malysia and Korea" and was to fund in-firm training programmes through loans and grants.[327] This scheme, which was recommended by the staff of the Bank in October 1992, was taken up by the Industrialisation Commission and by the Ministry of Industry, Science and Technology and was subsequently endorsed by the Prime Minister at the end of 1993, who appointed a shadow board of the fund.[328] The draft regulations which were produced by this body were, however, never ratified.[329] The idea was taken up again by the Kumaratunga government in 1996, which provided Rs. 100 million in the 1999 budget to establish the fund but its implementation failed again due to a lack of interest from the part of the industry.[330]

Another donor-backed attempt to involve the private sector into the planning and the delivery of skill formation programmes and, at the same time, to strengthen the overall coordination of all agencies in this policy domain, was the creation of the Tertiary and Vocational Education Commission (TVEC), which was also to include a number of private sector representatives.[331] During the first years in the life of this organisation, however, the ability of the commission to come up to the expectations of the government and of donors was constrained by the fact that it did not have the

---

326 Human Resources Development Council (1992), pp. 36 & 57
327 Ministry of Finance and Planning (1992), p. 67
328 British Council (1995b), pp. 33-35
329 World Bank (1993), p. 19
330 Asian Development Bank (2004), p. 88
331 Parliament of the Democratic Socialist Republic of Sri Lanka (1990), p. 1

authority to coordinate long-standing training organisations, all of which were under the purview of different ministries. It thus suffered from the same weakness as the National Human Resources Development Council (NHRDC), which had been founded in 1987 and was re-established in 1997 to give advice on "national human resources policy": this body comprised, among others, the secretaries of all ministries involved into education and training, labour and economic development, all of which were not interested in coordinating their activities;[332] the necessary quorum at the NHRDC was, therefore, never reached due to the absence of the council members.[333]

Whereas the NHRDC stayed a powerless body even after 1997, TVEC's position was somewhat strengthened, when president Kumaratunga decided to take the majority of training agencies under one ministry in 1994 and subsequently recommended to extend TVEC's legal mandate.[334] In the wake of this legal change, TVEC started to formulate industry-specific Vocational Education and Training Plans in intervals of three to five years, which were based on extensive industry surveys and took into account the perspective of entrepreneurs in the private sector.[335] Thus, it was hoped, TVEC would contribute to the orientation of the state-funded skill formation programmes towards the needs of the private sector. The relevance of the TVEC plans was, however, undermined by the training targets spelled out by numerous governments in their national development plans.[336] Even though the latter documents were generally hurriedly formulated by hired consultants in order to secure the funds from donor agencies and lacked the analytical depth of the training plans by TVEC, it was these documents which started to have a great impact on the operations of training agencies. TVEC was thus never in a position to enforce its own training targets both in the agencies under its own ministry let alone in the agencies under other ministries, which were all operating according to the guidelines of the national development plans. The only instrument available to TVEC to implement the plans was to distribute grants to public and private training organisations, through which these organisations could upgrade their infrastructure. But as funds were limited and insecure, the implementation of the targets as spelled out in the training plans was far

---

332 Id. (1997)

333 SL_Int_AdminUnit3_Representative1 (p. 1/l. 17-18), SL_Int_AdminUnit3_Representative2 (p. 1/l. 18-22)

334 Presidential Secretariat (1998), p. 5

335 For plans on the garment industry see Tertiary and Vocational Education Commission (1999), Id. (2002), Id. (2007b).

336 See, for instance, Department of National Planning (2007, p. 151).

from possible.[337] In fact, TVEC did not even engage in monitoring the progress of their implementation.[338]

Both aims of TVEC, to orient skill formation programmes towards the needs of the private sector and to coordinate the different agencies providing skill formation programmes, were challenged by the establishment of the Vocational Training Authority (VTA) in 1994. The VTA, the brainchild of the then Minister of Labour and Vocational Training and the future president of the country, Mahinda Rajapaksa, was to mainly impart training to rural, unemployed youth, and thus revealed that socio-political rationales were still important for training policy, notably in those years, when the Presidential Task Force on Technical Education and Vocational Training Reforms eventually stated that "training should no longer be perceived as some kind of welfare support for school dropouts or a temporary alternative to a job that keeps the unemployed occupied".[339] Within only three years, VTA opened about two hundred Rural Vocational Training Centres (RVTC), “pursuing its ambitious and apparently politically motivated target of establishing 500 RVTCs”, and thus became Sri Lanka’s training agency with the largest enrolment.[340] VTA received continued attention from the political establishment, which was increased when the former labour minister, Mahinda Rajapaksa, became president and announced, in his national development programme, that the number of institutes would be increased from 357 in 2009 to 875 in 2016, and the number of students from 32’000 in 2009 to 75’000 in 2016.[341] The expansion of VTA, donors and like-minded national experts complained, was mainly supply-driven and not efficient; the World Bank reported that only 2.7 percent of VTA trainees actually found employment within the first six months after passing out.[342] Instead of providing practical skills for the Sri Lankan local labour market, the system was, the critics argued, rather a “formal path to gain more and more advanced qualifications with respect to specific vocational fields”.[343]

Even though the foundation of VTA had been the result of agency by politicians and administrators who attempted to provide equal access to vocationally oriented cre-

---

337 In 1999/2000 and in 2005/2006, TVEC spent Rs. 3'112’849 and Rs. 314’359 respectively on the infrastructure of private training centres; see Tertiary and Vocational Education Commission (2002, p. 14), Id. (2007a, pp. 147-148).

338 SL_Int_AdmUnit2_Representative1 (p. 2/l. 29-31)

339 Presidential Task Force on Technical Education and Vocational Training Reforms (1997), p. 13

340 Leeratne (2001), p. 11

341 Department of National Planning (2007), p. 151

342 World Bank (2005d), p. 101

343 Perera (2003), p. 42

dentials and was certainly not the outcome of lobbying activities by private sector representatives or of donor advice, the administrative heads of VTA tried to find ways to improve the links of their organisation with the private sector. In addition to involving private sector representatives on the board of VTA, the authority decided to form Vocational Training Councils at the local level, which would mainly consist of private sector entrepreneurs and were to advise the VTA authorities on how to better cater to the needs of the local labour market.[344] But as these councils were unable to actually influence the programmes of the training centres and as the private sector representatives in Sri Lanka were not interested in this type of time consuming interaction unless their business would have directly profited, the councils demised rapidly.[345] In order to nevertheless enhance employability of students and to bolster the public reputation of the VTA training centres, job placement schemes and career guidance programmes were initiated, partly supported by development projects.[346]

After the importance of TVEC had been considerably challenged by the establishment of the VTA and its becoming the largest training agency in the country, the position of the commission was enormously strengthened in the years after 2000, when ADB implemented its Skills Development Project.[347] The most prominent component of the project was to introduce a National Vocational Qualifications (NVQ) Framework which was aimed at contributing to TVEC's twin goals of both coordinating and standardising the skill formation programmes in Sri Lanka and of improving their relevance with regard to the needs of the private sector.[348] The framework, set up by the consultants and the representatives of the ministry in charge of vocational training, consisted of a set of seven hierarchically structured levels, leading from level 1 for training programmes which prepared students for working processes that were "limited in range" and "repetitive and familiar" up to level 7 for training programmes which prepared students for working processes that "require[d] a command of highly specialised technical or scholastic and basic research skills across a major discipline".[349] As it was suggested by the consultants working for the project, it became TVEC's mandate to accredit the national skills standards developed along the lines of the NVQ framework, to accredit the respective public and private training agencies that

344 Ministry of Finance and Planning (1997), p. 21
345 Richards (2002), p. 31
346 Asian Development Bank (2008b), p. 2, Vocational Training Authority (2006a)
347 Asian Development Bank (2008b), p. 1
348 Tertiary and Vocational Education Commission (2005), p. 2
349 National Apprentice and Industrial Training Authority (2005c), pp. 12f

planned to train according to these skill standards and to issue the respective certificates to students.[350]

The formation of the NVQ framework implied that the authority of the VTA and of all other agencies under the ministry in charge of vocational training to independently design their own courses was undermined, as TVEC had been given the mandate to ensure that all skill standards were in line with the needs of the entrepreneurs from the private sector. In fact, under the ADB project itself, a high number of such skill standards and the respective curricula were jointly developed by the representatives of the training administration and of the private sector and were subsequently accredited by TVEC.[351] But even though the NVQ framework had come out from a donor driven process and was meant to strengthen TVEC as a coordinating agency, the development of the NVQ framework had also been furthered by other social forces within the education and training regime. Certainly, the NVQ rationale was attractive to both administrators and politicians for various reasons: first, the new system represented an alternative ladder for social mobility through educational structures, as the framework offered a ladder of qualifications to all those who did not succeed in the conventional, academically oriented education system. Second, this new system was outside the purview of the powerful Ministry of Education and the University Grants Commission, which controlled the entry into the university system. Third, it was hoped that this system would increase the social demand for vocational education and training in Sri Lanka. The private sector itself, whose needs were claimed to be the cornerstone of this process, was, however, not driving it. Ironically, donors, which had generally criticised that the system was driven by the social demand for academically oriented skill formation programmes and the respective credentials, had now helped the government of Sri Lanka to introduce a mechanism, which, in fact, would further accentuate this tendency.

Of course, the dynamics resulting from the social demand for skill formation programmes which had a reputation of being academically oriented and thus promised entry into the socially more reputed positions also influenced the further development of agencies that had traditionally been involved in providing more academically oriented skill formation programmes. Depending on their respective political leverage, these organisations maintained, increased or partly lost their comparatively more elit-

350 Ministry of Skills Development (2004)
351 Ministry of Vocational and Technical Training (2007)

ist social standing. One important aspect of the social standing of such organisations was their coming under the ministry in charge of higher education after 1995. The formation of a single ministry in charge of vocational training in that year would actually have entailed that the organisations providing training at the technician level would come under this ministry as well; however, the largest of these organisations, the Sri Lanka Institute of Advanced Technical Education (SLIATE) and the departments offering the National Diploma in Technology (NDT) programme at the University of Moratuwa, managed to remain outside the purview of the vocational training ministry, whose social standing the politically well organised students and teachers considered to be lower than that of the ministry in charge of higher education.[352]

At the degree level, the technical universities in Peredeniya and Moratuwa remained the most important and most prestigious ones; the reputation of their programmes was neither challenged by the Open University, whose programmes still struggled with limited social demand and high student attrition and were to profit from further donor support after 2005, nor the development of a third engineering faculty that was opened in 1999 at the university of Ruhuna, in the southern part of the country.[353] The main reason for their high social prestige was their being allowed to retain their aristocratic seclusion in contrast to the other universities of the country, whose enrolment rates had been considerably increased.

In fact, the number of entrants into public universities increased from 4'688 to 7'235 between 1988 and 1990, from there to 11'962 in 2000 and to 16'585 in 2005.[354] This growth, which was particularly strong in the years after 2000, was enabled, on the one hand, by the establishment of a number of new universities, two of which had originally been intended to lead to certificates and diplomas only, a strategy which had to be adjusted following student agitation.[355] On the other hand, the government increased the pressure on the University Grants Commission (UGC) to admit more students to the existing universities, mainly to the arts and social science faculties. This pressure continued to rise under the Rajapaksa government, which planned to raise the number of degree-awarding institutes from 17 in 2007 to 24 in 2016 and the

---

352 World Bank (2005d), p. 95

353 For enrolment rates of the three engineering faculties see University Grants Commission (2006a, p. 21); for donor support to the Open University see Asian Development Bank (2003), University Grants Commission (2005), p. 25.

354 University Grants Commission (1991), p. 34, Id. (2001), p. 20, Id. (2006b), p. 23

355 Pathmanathan (2000), p. 2

number of passing out undergraduate students from 13'000 to 75'000.[356] The impacts of this increase in enrolment rates were manifold: the most direct consequence of the expansion, taking place in times of a budget constrained by the constant war against the Tamil separatists, was the decrease in unit costs at universities, which affected the overall quality of instruction.[357] At the same time, employability of students, which had been traditionally low in Sri Lanka, could not be enhanced, a problem which the authorities tried to mitigate through a number of job placement schemes, e.g. the Tharuna Aruna programme, and through a World Bank funded project to improve the quality and the relevance of undergraduate education.[358] The lacking employability of students was interrelated with a decrease in the contribution of university education to social mobility during the 1990s.[359]

Because of the continuously high political leverage of the socio-economically privileged students of the two technical universities, these two degree-awarding organisations were, for many years, insulated from this process: entry to its engineering and physical science degree programmes continued to be characterised by a social selection process that favoured students who came from the prestigious and large, established urban schools and generally hailed from the more affluent families; accordingly, graduation in these degree programmes was still strongly interrelated with high earnings, and comparatively few of the graduates remained unemployed.[360] However, there was no certainty with regard to the social standing of these university programmes: in the late 1990s, for instance, the graduate students of the University of Moratuwa criticised the university's head for compromising the exclusiveness of their educational programme, as he also signed the diploma of the NDT students. These irritations finally led to violent clashes between the two student groups that forced the authorities to close the campus for several months.[361] In order to contain future violence, the authorities then decided to separate the NDT programmes from their respective technical departments and to concentrate them under a separate entity, the Institute of Technology of the University of Moratuwa (ITUM) that was given the power "to conduct primarily the National Diploma of Technology Course and similar

---

356 Department of National Planning (2007), p. 154
357 Chandrasiri (2003), p. 93
358 World Bank (2003), p. 14
359 Jayaweera and Sanmugam (2002), p. 87
360 Loc. cit.
361 Daily News (1999a), Island (1999a)

technological courses".[362] This solution reflected the political leverage of the degree students at the few technical universities, which continued to constitute Sri Lanka's educational organisations with the highest social standing. These events would also affect the institutional development of the out-of-firm skill formation regime of the garment industry, whose representatives had, by now, started to strongly interact with the textile and clothing department of the University of Moratuwa. These entrepreneurs will be an important topic of the next chapter, which elaborates on the historical development of the Sri Lankan garment production regime.

[362] Daily News (1999b), Government of Sri Lanka (2000), p. 18A

7 The development of the garment production regime in Sri Lanka

7.1 Industrial development before economic liberalisation

At the time of independence, Ceylon had a dual economic structure that was characterised by the co-existence of a modern and a traditional economic sector: the modern sector consisted of the export-oriented plantation sector producing coconut, rubber and tea and of the related service activities, including banking, commerce, trade and transport. The traditional economic sector consisted of subsistence agriculture, on which the majority of the population in the rural areas depended.[363] It was thus a model-type of colonial economy with little formal industry, as manufactured products were imported from overseas, mainly from Britain. In the rural areas, some cottage industries existed and were a part of the traditional economic structure. One of the most important of these industries was the handloom industry, which, in fact, had been an important part of the rural economy for many centuries.[364] In the modern sector as well, the production of fabric was one the early cornerstones of Sri Lanka's industrialisation process: here, textile mills that relied on comparatively sophisticated technology imported by the British investors from their homeland started to produce fabric and yarn in the late 19th century.[365] At the same time, some Indian communities that had migrated to Ceylon between 1880 and 1905 got involved in the textile trade and were thereby supported by the British, who considered these merchants to be important allies in their efforts to strengthen the import-export trade.[366] Communities such as the Memons thus started to import clothes from India, including sarongs and other handloom categories of cloth, by relying on their business networks on the Indian mainland.[367]

Already before Ceylon became independent, the British rulers decided to set up some government-owned manufacturing industries to meet the war-time requirements, to produce commodities such as glass, ceramics, paper and drugs.[368] After independence, some of these factories were sustained and the private sector was

363 Abeyratne (1998), p. 343
364 Pararajasingham (2006), p. 63
365 Ibid., p. 13
366 Jayawardena (2007), pp. 134f
367 Hussein and Karim (2006), p. 60
368 Peiris (1993b), p. 231

invited to invest in small scale ventures.[369] As, however, the first UNP government was basically committed to an open trade regime, the overall degree of industrial development remained low.[370] Many representatives of the new political elite, most of which were united in the UNP, were themselves involved in the plantation-economy and were, therefore, not interested in rapid industrialisation of the country.[371] In fact, Ceylon's relatively comfortable financial situation of these years didn't lead to any pressure on the UNP to change its economic policies, all the more as the representatives of the World Bank had advised the government to keep state-involvement into industrial development at a low level.[372]

When the Sri Lanka Freedom Party (SLFP) came into power in 1956, it reversed the liberal economic regime, which it considered to be continuing the colonial legacy of economic dependence from imported goods: it therefore planned to gradually reduce the economic importance of traditional agriculture through the means of import-substitution and to support local manufacturing by providing better protection to local industries through high import-tariffs.[373] As, however, the then existing socio-economic elite mainly consisted of plantation owners close to the opposing UNP, the new government had difficulties to make indigenous private investors support the industrialisation process.[374] Only in the beginning of the 1960s, when imports of various consumer items were entirely banned, some private entrepreneurs started to establish their own industrial ventures, a dynamics, which marked the beginning of a considerable industrial growth up to 1970, during which 2500 industries were being set up.[375]

As the overall financial capital invested both by indigenous and overseas private entrepreneurs remained low, the majority of the manufacturing ventures opened after 1956 were owned by the state.[376] Most of these state-owned industrial corporations were aimed at substituting manufactured goods that had generally been imported and had added to the worsening terms of trade. The state industrial corporations not only had an effect on the overall industrial structure of the country but also allowed the educated Singhalese middle-class to climb the social ladder, whose upper eche-

369 Ibid., p. 232
370 Abeyratne (1998), p. 348
371 Loc. cit.
372 Peiris (1993b), p. 232
373 Gunatillake (1999), p. 193
374 Lakshman (1987), p. 67
375 Wilson (1979), pp. 79-85
376 Abeyratne (1989), p. 62

lons had, so far, been dominated by the traditional anglicised elite.[377] Employment by the corporations, however, strongly depended on personal relations with politicians and officers and also on the overall economic situation of the country: towards 1970, when Ceylon's terms of trade worsened and unemployment – especially among the young – was rising, these corporations were no more in a position to create sufficient employment.[378]

The industrial ventures established between 1956 and 1965, both in the private and the public sector, hardly manufactured for the export trade, which was still dominated by tea and rubber. In order to promote non-traditional exports, the post-1965 UNP government therefore started to relax and to partly abolish tariffs on certain imports and to provide cash-incentives for producers of non-traditional exports. These measures were complemented by steps to attract more FDI, which were not only expected to contribute to a growth of non-traditional exports but also to increase the influx of technological know-how and managerial skills.[379]

These policies led to a moderately higher growth of the manufacturing sector but also worsened terms of trade. The SLFP government coming into power in 1970 thus reversed the liberalisations introduced in the years since 1965 and returned to an import-substitution oriented industrial policy. Under enormous pressure not only to reduce the import bill but also to create employment opportunities, the new government formulated a comprehensive economic plan, which placed heavy emphasis on the further development of the manufacturing sector, led by the state industrial corporations, but also aimed at expanding the opportunities for non-traditional exports.[380] In the years up to 1977, overall production of manufactured goods decreased despite the protection provided to this sector but the share of non-traditional exports in GDP almost doubled, mainly because of access to the markets in socialist countries.[381]

The years between the country's independence in 1948 and the economic reforms of 1977 also saw the gradual development of the textile industry. Whereas under the UNP government after 1948, the pre-independence situation in this sector was only transformed with regard to more protection given to the handloom-industry, the policies initiated by the SLFP government in 1956 marked the beginning of a rise of the modern textile industry in the then Ceylon: in its Ten Year Plan of 1959 and the sub-

377 Hettige (2000), p. 32, Wilson (1979), p. 81
378 Hettige (2000), p. 25, Lakshman (1987), pp. 70f
379 Abeyratne (1998), pp. 354-359
380 Ibid., pp. 361f
381 Ibid., p. 364

sequent Master Plan for the Development of the Textile Industry, the government declared its intention to substitute the imports of fabric by local manufactures. The task to develop the textile industry was entrusted to the National Textile Corporation, established in 1958, which was to oversee the publicly owned mills and also to import the necessary raw material.[382] After 1960, a number of public textile mills were opened and started to produce yarn and fabric, generally in the electorates of prime ministers and members of the cabinet and often under aid-agreements with socialist countries, which also provided for the training of managers and technicians of these mills.[383] Despite the dominating position of public enterprises in the textile sector, a number of private sector mills were established, especially in the years after 1960, when imports were virtually banned. Quite a number of these mills were established by those Indian entrepreneurs, who had been involved into the clothing trade already in pre-independence days. One of the most important ventures established at that time were run by two Sindhi families, the Kundanmal's and the Mirchandani's family.[384] These entrepreneurs were profiting both from their entrepreneurial and technical experience in the textile trade and from their contacts to the Indian mainland, to the Far East and to the West, which allowed them to associate with traders and buyers and thus to further increase their entrepreneurial and technical skills.[385] Despite their international business network, these private sector entrepreneurs were producing goods of limited range and quality and were mainly catering to the highly protected local market.[386]

After mid-1960s, some private entrepreneurs also started to venture into the manufacture of garments. For long, this sector had been dominated by items stitched by local tailors and by imports from the Far East but now local manufacturers of ready made garments began to profit from the protection under the import-substitution regime.[387] The companies Velona, Bernard Boteju and Hirdaramani were among the first to do so, the latter one being owned by another Sindhi family, which started to manufacture shirts after having been active in the import of textiles and garments since the late 19th century.[388] Again, most of these entrepreneurs catered to the local

---

382 Pararajasingham (2006), pp. 63f
383 Ibid., p. 71f
384 Ibid., p. 129; for accounts of these ventures by Indian families see SL_Int_Firm09_Representative1 (p. 2/l. 25-28), SL_Int_Association2_Representative1 (p. 1/l. 19-20 & p. 2/l. 5).
385 Pararajasingham (2006), pp. 125f
386 Karunatilake (1999), p. 17
387 Kelegama and Foley (2004), p. 126
388 Hirdaramani (Industries) Limited (2008)

market but some gradually ventured into exports. The first exports were, however, not launched through the business contacts of entrepreneurs but trough a bilateral trade agreement between Ceylon and the USSR, which enabled one company, Hentley, to export a first load of shirts in 1965; other firms were to follow and to produce more garments for the Soviet Union.[389] These exports marked the beginning of a development, which would, in the years up to 1977, see growing exports to the US by a few companies, namely Hentley, its associate firm Apparel Exports and GIL garments, which was, in contrast to the other local firms, fully owned by Japanese investors and started to produce gents and boy's trousers and jackets.[390] In many respects, this latter venture anticipated some of the most crucial developments in the Sri Lankan garment production regime.

7.2 The garment production regime before the imposition of garment quota

The landslide victory by the UNP in 1977 allowed the new government to introduce a number of sweeping changes. The strategies of import-substituting industrialisation and central economic planning were entirely phased out and an open trade regime was introduced that not only was one of the most liberal introduced by a developing country at that time but also spearheaded similar economic reforms at the global level.[391] The changes were in line with the thinking of the UNP elite, which hailed from the westernised, upper-most echelons of society and had been opposing the closed economy under the Bandaranaike governments; furthermore, many leading civil servants were sympathetic to liberalisation.[392] But the radical reforms also reflected the difficult economic situation of Sri Lanka in 1977 that was marked by high unemployment and economic stagnation, two structural problems, which had been the main reasons for the electorate to sack the previous government. Furthermore, these reforms would hardly have found sufficient political support, had not donor agencies, namely the World Bank and the International Monetary Fund, announced that they were prepared to substantially increase foreign aid.[393]

The reforms also had their critics: on the one hand side, many leading academics were of the view that the liberalisation of the economy would make Sri Lanka more

389 Pararajasingham (2006), p. 181
390 Ibid., pp. 181f
391 Sarvananthan (2005a), p. 3
392 Shastri (2004), pp. 241f
393 Lakshman (1987), pp. 80-87

vulnerable vis-à-vis the caprices of foreign investors, would not increase the manufacture of local raw material and the use of local technology and would thus further Sri Lanka's economic dependency.[394] On the other hand, many private sector entrepreneurs who had been profiting from the protection under an import-substituting trade regime were not supportive of the economic reforms in 1977. Particularly the owners of private textile mills were of the view that their operations would be threatened by foreign competition and they therefore successfully lobbied the new government to keep some sort of protection.[395]

The 1977 economic reforms in Sri Lanka coincided with the changes in the global garment production regime. Both aspects of the translocation process, the quota business and the emerging commodity chains with the outsourcing of the entire manufacturing process, were part of a global dynamics beyond the reach of Sri Lankan policy makers. Basically, the economic reforms of 1977 made it possible for Sri Lanka to participate in this relocation process away from some of the NIE at a relatively early point, providing Sri Lankan entrepreneurs with the opportunity to get involved into cutting, making and trimming (CMT) of garments for exports. Beyond that, the institutions established during this period would also influence the very specific way the garment industry would develop in the years to come.

Certainly, the low labour costs were a crucial incentive for entrepreneurs to have garments manufactured in Sri Lanka.[396] Similarly important were, however, policies which were explicitly drawn to attract foreign investors. There were, on the one hand, regulations to improve the general investment climate, such as the removal of the majority of import restrictions, relaxations of controls on capital and different types of tax holidays.[397] On the other hand, the government improved the infrastructure through a couple of capital intensive, donor supported projects, such as the development of power plants and the establishment of the Free Trade Zone (FTZ) in Katunayake, which were to foster private sector led economic growth.[398] The zones, including the export procedures related to its industrial output, were to be administered by a newly created, high-powered government agency, the Greater Colombo Economic Commission (GCEC) under the Ministry of Industries.[399] The development of

---

394 Id. (1979), pp. 108f
395 Kelegama and Foley (2004), p. 127
396 Athukorala (1998), p. 386
397 Ibid., p. 396
398 Gunatillake (1999), p. 202
399 Parliament of the Democratic Socialist Republic of Sri Lanka (1978)

the industry by local investors producing outside the zones was to be supported by special credit lines of national development banks, which were generously backed by multilateral agencies.[400] Changes of existing labour laws were not as such part of the economic reforms of 1977. The Termination of Workmen (Special Provision) Act of 1971, which aimed at hindering employers to lay off employees and was often criticised both by employers and donors agencies, stayed in place, and, in the 1980s, its coverage was extended to also include temporary and casual labour.[401] The establishment of the FTZ, however, meant a restriction of the movement of labour unions, which were banned from entering these areas.

The economic reforms of 1977 were clearly not formulated because of major pressure emanating from individual or corporate actors in the private sector. However, these reforms included a set of incentives, which, in the course of only few years, created a number of new corporate and collective actors which would themselves start to influence policies and regulations for the garment industry. The main respective corporate actors were two employers' associations, each of which united entrepreneurs, who had been collectively profiting from the economic reforms in different ways.

The first employers' association that mainly united garment entrepreneurs was the Free Trade Zone Manufacturers' Association (FTZMA). It was established as early as 1978, when the first foreign investors started to open up their manufacturing units in the FTZ of Katunayake; from its beginnings, it aimed at lobbying the government to protect the interests of the foreign entrepreneurs investing within the zone, which were represented either by themselves or by their local partners.[402] As, however, the industry started to grow outside the zone as well, there emerged another association that started to lobby the government to at least partly extend the privileges granted to the entrepreneurs manufacturing in the zones to themselves. This was the task of the Sri Lanka Apparel Exporters Associations (SLAEA), founded in 1982, which was to dominate the lobbying process in the garment industry in the coming two decades. Whereas the FTZMA was virtually run by foreign investors, SLAEA was the association of the local manufacturers, many of which had started their business as joint-venture partners of foreign investors or had worked in the senior management of foreign-owned companies and then started with their own business. In fact, many joint-

400 Ministry of Policy Planning (1979), p. 15
401 Ranaraja (2005), pp. 184f
402 SL_Int_Association3_Representative1 (p. 7/l. 1-5)

venture partners of foreign investors belonged to those entrepreneurs who had started with either the textile or the garment business before the year 1977, many of them having Indian origins.[403]

Whereas employers formed powerful organisations, whose representatives had direct access to both policy makers and administrators and were thus in a position to influence the formulation and implementation of sector related policies and regulations, there was no similar development of labour unions. The major hindrance for such unions to emerge as potent organisations was the control which the main political parties had exerted over these organisations since 1948. At that time, the workers of the few public enterprises, such as railways, were unionised in ways which gave the leaders of political parties the opportunity to make use of these organisations.[404] Partisan control of labour unions, especially the ones in the public sector, grew with the ascent of the increasingly nationalist SLFP in the early 1950s, which succeeded in gaining the support of the employees in the public sector, both in the administration and in the expanding public industrial enterprises. Unions thus became useful instruments of consolidating the political power of the respective party in power, either the SLFP or the UNP, and of destabilising the acting regime when the party was in the opposition.[405] As the support of the workers was important to win elections, there was a considerable pro-labour bias in most of the policies and regulations emanating from the SLFP governments in the post-1956 era up to 1977. This led to the formulation of the Termination of Workmen (Special Provision) Act No. 45 of 1971, which aimed at hindering employers to lay off employees and has, as mentioned above, remained one of the legislations most criticised both by employers and donor agencies alike.[406]

Even though the concerns of workers were reflected in the policies and regulations of pre-1977 Sri Lanka, the labour movement remained fragmented, with a high number of weak and small labour unions controlled by individual parties.[407] The change in government of 1977 did not lead to a major change in labour policies and regulations. However, it further weakened the organisational basis of the labour movement. On the one hand, the economic reforms reduced the role of public enterprises, the unions' main field of political action, on the other hand, the new government soon dem-

403 Sri Lanka Apparel Exporters Association (2007)
404 Ranaraja (2005), p. 184
405 Gunatilaka (2001), p. 10
406 Ranaraja (2005), p. 184
407 Kearney (1971), p. 19

onstrated that it would not accept unions agitating against its own interests. In July 1980, the government stopped a strike of several public and private sector unions and dismissed several thousands of public servants who participated in the strike.[408] This incident merely illustrated that Sri Lankan labour unions were not in a position to counterweigh the increasing power of well organised and well linked employers' associations, which had strong ties to the new political establishment.

The overall economic effects of the economic reforms of 1977 were mixed. On the one hand, economic growth doubled between 1977 and 1982, on the other hand real GDP continuously decreased after 1977.[409] Similarly contradictory, the share of manufacturing in GDP declined but its share of exports increased from 13.2 percent in 1975 to 69 percent in 1992.[410] The decline of the share of manufacturing was a consequence of the fact that the indigenous manufacturing units that catered to the local market now faced strong competition from liberalised imports and thus had to reduce their operations. One such sector was the local textile industry, namely the handloom sector based in the rural areas, which was virtually annihilated by the effects of the economic reforms.[411] Private textile mills only sustained their business thanks to high import tariffs but could not increase their operations.[412] The economic reforms also marked the decline of the role of the state in the manufacturing sector. In the textile sub-sector, for instance, no new public mills were opened in the years after 1977 and the existing ones came under private management even though they continued to be owned by the state.[413]

The overall growth of manufactured exports was mainly a consequence of the expansion of the garment industry, with the share of garments in the total composition of exports rising from 3.6 percent in 1978 to 22 percent in 1985.[414] A major part of the garment units were established with FDI, whose average annual inflow was at US $ 41 million between 1978-1982, compared to only US $ 0.2 million between 1970-1977.[415] These investments were flowing to a considerable degree into the FTZ in Katunayake: 119 projects were opened there between 1978 and 1985, all of which were operating under the tax concessions granted by the Greater Colombo Economic

---

408 Tampoe (2001), p. 10
409 Abeyratne (1989), p. 63
410 Rodrigo (1993), p. 225
411 Jayaweera (2001), p. 9
412 Kelegama and Foley (2004), p. 127
413 Pararajasingham (2006), p. 76
414 Kelegama and Wijayasiri (2004), p. 17
415 Athukorala (1998), p. 401

Commission. FDI was, however, not merely concentrated inside the FTZ but was also flowing into projects operating under the general tax laws: the share of FDI of the total investments in the 514 projects opened outside the zone between 1978 and 1985 thus still amounted to more than 62 percent.[416] Most of the foreign investors running their own projects came from NIEs, on whose garment exports Western countries had imposed quotas. In 1991, most units were thus still operated by Hong Kong-based companies, followed by companies from South Korea.[417]

The economic reforms had tremendous effects on the development of the labour market, even though the respective formal labour regulations were hardly changed. The growth of labour-intensive export-oriented manufacturing units in the urban areas led to more employment generated in this sector: whereas between 1971 and 1981 the total number of jobs in the manufacturing sector had increased by 69'000, between 1980 and 1985 more than 80 000 such jobs were created, 32'000 of them in the FTZ alone.[418] Even though this growth of employment was remarkable, it was not sufficient to absorb the annual additions to the labour force and it hardly created opportunities for the better educated among them: in fact, more than 90 percent of the employment opportunities created after 1977 were in the unskilled or in the semi-skilled segments of the labour market.[419]

A further important social aspect of economic development in the aftermath of the reforms of 1977 was that virtually all new job opportunities were concentrated in the industrialised areas of the Western Province.[420] Employment creation in the urban areas came at the expense of employment in the rural parts of the country, which suffered from the decline of the handloom industry that made more than 40'000 employees lose their jobs.[421] If both the decline of this cottage industry and the slow, but gradual decline of employment opportunities in the agriculture sector is taken into account, it can be assumed that unemployment in rural areas was actually rising during 1977 to 1985, which contributed to the overall rise of social inequalities in these years. [422] Many people from these areas thus had to look for alternative employment, either in the donor-funded infrastructure projects, in the informal economy of Colombo

---

416 Ibid., p. 402
417 Ibid., p. 410
418 Rodrigo (1993), pp. 232f
419 Kelegama (2006a), p. 263, Rodrigo (1993), p. 265
420 Kelegama (2006a), p. 265
421 Waidyanatha (1980), p. 32
422 Kelegama (2006a), p. 265, Lakshman (1996), p. 18, Rodrigo (1993), p. 215

and its outskirts, in the Middle East or in the manufacturing sector.[423] Particularly the latter option was open to females as well, where employers were eager to employ adept and docile women in the unskilled and semi-skilled positions on the shop floors.[424] The garment industry thus became a female industry.

The labour conditions for the women working in the manufacturing units were soon characterised by low wages, insecure or missing employment contracts and long working hours and sometimes also by improper behaviour of superiors.[425] This was, on the one hand, a consequence of the vulnerable situation of female operators, who had to virtually accept any type of employment to secure the livelihoods of their families. On the other hand, the implementation of the labour law was weakened, with many employers being on good terms with both politicians and administrators, all of which were interested not to put a strain on the investors, which were expected to solve one of the major political challenges in Sri Lanka, the high rate of unemployment.

7.3 The garment production regime during the quota regime

The fast growth of the garment industry in South Asia had the effect that quotas were gradually imposed on exports from South Asian countries, including on those from Sri Lanka. In fact, the first quotas on garments from Sri Lanka were launched even before the expansion of the industry, Norway and Sweden being the first in 1976 and 1977 respectively. The effects of quota on the growth of the industry, however, only then increased, when the US, the major market for garments from Sri Lanka, started to gradually impose quota from 1980 onwards. By 1986, the Sri Lankan quota system was in full swing with quota imposed on 26 different product categories exported to the US.[426] For this reason, the year 1986 serves, in this study, as a historical mark in the development of the garment industry, which was, for the next decade, to be strongly influenced by the quota system at the global level and the way quota were allocated at the national level in Sri Lanka.

By 1986, a further element of the international context of the Sri Lankan garment industry had changed: whereas in 1977, Sri Lanka had been one of the few countries, that offered absence of quotas, low wages and regulations aimed at attracting

---

423 Hettige (1995), p. 112, Kelegama (2006a), p. 267
424 Jayaweera (2001), p. 9, Rodrigo (1993), p. 32
425 Athukorala (1998), p. 397, Jayaweera (2001), p. 3, Rodrigo (1993), p. 265
426 Ministry of Textile Industries (1987), pp. 8f, Rezel (1980)

foreign investors, a couple of other countries in South Asia had also entered the industry by now: Bangladesh's garment industry, for instance, had grown by 14.2 percent between 1980 and 1985 from virtually zero and would grow by 21.6 percent in the years 1985 to 1990, with a production regime that allowed manufacturers to pay wages far below the Sri Lankan average; the garment industries of India and Pakistan had similar growth rates, both of which more relied on indigenous yarn and fabric and thus had the advantage of strong industrial backward-linkages.[427]

The quota system partly mitigated competition, as, under these regulations, buyers could not switch their production sites overnight due to the fixed amount of quota allocated to individual countries. Thus, the quota system became a barrier against the downward spiral of low wages in the sector.[428] But the quota system created new elements of competition, both at the global and at the national level: on the one hand, the governments of the producing countries had to lobby western governments to keep quota imposed on their own industry as high as possible. On the other hand, the imposition of quota also increased competition between existing manufacturers in Sri Lanka, which were generally eager to secure the highest amount of quota possible for their own companies.

The imposition of quota over Sri Lanka forced the government to establish institutions to cope with this new situation. As quotas were limited, the Ministry of Textile Industry Development was given the authority to allocate quotas to the manufacturers. The allocation process was based on administrative regulations developed for this purpose already in 1978, when the first countries in the West imposed their quotas, but it became more prominent only when the quota system was fully established in the mid-1980s. The allocation of quota to one specific manufacturer by the administration was based on his performance under the previous year: if the manufacturer had used up the quota, he was allowed to keep them, if not, his share was reduced. When the quota allocated for Sri Lanka was increased in specific product categories, allocation among the manufacturers in Sri Lanka would similarly depend on their performance during the previous year. In this context, there was a certain role for the associations, which lobbied the government for the generous treatment of their own clientele. This process was partly accompanied by bribery and corruption but quota were generally not granted on the basis of political considerations, all the more as the

427 Kelegama and Epaarachchi (2002), p. 207
428 Gereffi (1999), p. 51

first generation of garment entrepreneurs in this country did not hail from the political and administrative elite of the country.[429]

The further development of the garment production regime after the mid-1980s was also influenced by the overall political, economic and social development in the country. The main element in this context was the outbreak of the civil war in 1983, which not only claimed a high number of casualties but started to seriously hinder the growth of the economy and of the absorption capacity of the labour market.[430] Many foreign investors became sceptical with regard to the political stability of the country, which was further underlined by many major airlines closing their Colombo offices after 1983.[431] Furthermore, the increase in social inequalities following the economic reforms of 1977 and the continuously high unemployment were of major concern to the government. This political-economic context of the second part of the 1980s did not allow the government to further liberalise the economy.[432] In the aftermath of the insurgency towards the end of the decade, however, the political and economic situation in the country had deteriorated to such an extent that president Premadasa was under pressure to initiate a second wave of liberalisations in cooperation with the World Bank and the International Monetary Fund, through which the government hoped to boost economic growth and employment generation.[433] It was these reforms and the subsequent regulations, which were to considerably transform the garment production regime in Sri Lanka once again.

The assumption underlying these reforms was that the Sri Lankan economy would grow faster if the focus on export-oriented industries would become more pronounced. This strategy included, on the one hand, privatisation of public enterprises catering to the domestic market, many of which had been incurring considerable losses in the years before. On the other hand, the strategy entailed a further liberalisation of the trade regime, which was made to offer more incentives to entrepreneurs from Sri Lanka and from overseas to invest into manufacturing units in the island. Thus, the tax holidays for the manufacturers in the zones were now extended to those outside the zones as well. Both the tariffs on imports and the duties on exports were significantly reduced and the Greater Colombo Economic Commission was re-

429 SL_Int_Firm22_Representative1 (p. 2/l. 41f)
430 Kelegama (2006b), p. 55
431 Dr. Martelli Associates (1998), p. 105
432 Kelegama (2006b), p. 55
433 Jayawardena (2004), p. 101

named as Board of Investment, which offered its services as a “one-stop shop” to all entrepreneurs investing in Sri Lanka.[434]

The second wave of liberalisations was complemented by the 200 Garment Factories Programme, Premadasa’s personal high profile project, which aimed both at the promotion of export-oriented industrialisation and at the creation of 100’000 employment opportunities, mainly in the rural areas. In contrast to the economic reforms as such, the programme increased direct government intervention in the garment sector to an unprecedented extent.[435] The design and the implementation of the programme were clearly influenced by party politics. Whereas, indeed, unemployment in the rural areas was considered to be one of the key elements of social instability in the South of the country by many observers, the upliftment of the “economically impoverished” rural areas and the correction of “a lopsided development of the country” were also intended to have a direct political payoff for the ruling UNP, whose power base in the rural areas had been weakened during the major part of the 1980s.[436]

In order to create 100’000 jobs in 200 factories outside the urban areas, each employing 500 people, the government branded the development of the garment industry to be a national task to be fulfilled by Sri Lankan patriots, poised to place their investments in “the interest of the national economy”.[437] In fact, the government quite openly tried to create a new generation of garment entrepreneurs, who were to compete with the dominating foreign investors resented by major parts of the general public and many politicians, including those from the UNP.[438] In fact, many of the potentially new entrepreneurs were not staunch supporters of a market economy and its advocate, the UNP.[439] They were rather inclined towards the SLFP but the UNP and Premadasa considered their political support vital to win future elections. Many of the new entrepreneurs belonged to the so-called “swabasha”-educated middle classes, a distinctively Singhalese elite, which had attended the new urban schools established after the change in 1956.[440] Their profile thus partly contrasted not only with that of the foreign investors represented by the FTZMA; it was also distinct from that of the first generation of garment entrepreneurs united in the SLAEA, which was dominated

---

434 Abeyratne (1989), pp. 62-68, Kelegama (2006a), p. 112
435 Ibid., p. 213
436 Ceylon Chamber of Commerce (1994), p. 29, Gunatillaka (1992)
437 Daily News (1992b), Gunawardene (1994)
438 Daily News (1990)
439 Dunham and Kelegama (1997), p. 185
440 Shastri (2004), p. 243

by people with long-standing business experience, many of them hailing from an Indian background.

The key leverage of the government which helped it to reengineer the national garment production regime in the beginning of the 1990s was the quota-system, a system that limited the total amount of pieces of garments to be exported by Sri Lankan entrepreneurs to specific countries in the West and thus required the intervention of the government. Whereas in the early years of the quota regime in Sri Lanka, the respective ministry allocated quota to individual companies on the basis of their actual production in the previous year, the system was changed in order to suit the political aim of enhancing economic growth in the rural areas: the Textile Quota Board (TQB), the new government agency in charge of distributing quota, now had to consider the locations of the manufacturing units, rather than their use of quota in the previous year. Factories in the remotest areas of the country, the "most difficult areas", were allowed to produce significantly more pieces of garments than those operating in "difficult" or "non-difficult areas".[441]

The most important aim of the TQB, was clearly not achieved during all the years of its existence: in contrast to other countries in South Asia, namely India, the entire amount of quota allocated to Sri Lanka was normally not used up despite the growth of the industry, particularly as garment entrepreneurs were mainly interested in the "hot categories", i.e. in those items that were comparatively easy to manufacture.[442] The implementation of the new mechanism to distribute quota therefore resulted in more competition between the old and new manufacturers. Soon it became clear that the annual six percentage increase of the quota allocated to Sri Lanka by the US would not be sufficient to create the intended number of factories, even though a large share of the quota was not distributed to firms. This not only led to substantial over-shipments of quota in the hot categories, but also to quota being taken away from entrepreneurs who had been operating their business in the urban areas for many years. As many of the entrepreneurs in the rural areas had difficulties to use up the quota allocated to their firms, they were again selling their quota to entrepreneurs in the urban areas.[443]

---

441 Kelegama (2006a), p. 213 Ceylon Chamber of Commerce (1994), pp. 22f

442 In the end of the 1990s, overall quota utilisation was as low as 60 percent; see Kelegama and Epaarachchi (2002, p. 221).

443 Ceylon Chamber of Commerce (1994), pp. 22f; for a detailed account of these practices see SL_Int_Firm22_Representative1 (p. 2/l. 43-44).

The growing competition between manufacturers increased the importance of party and personal affiliation, and, in contrast to the previous years, the entire process of quota allocation thus became tremendously affected by corruption.[444] These strains on the garment production regime could, however, not be contained by the existing associations: the 200 Garment Factories Programme had created a new generation entrepreneurs, whose interests were distinct from the ones of the entrepreneurs united in the FTZMA and the SLAEA. They thus soon realised the need to form a separate association. The National Apparel Exporters Association (NAEA) started to function in 1993 and was to voice the concerns of all those profiting from the 200 Garment Factories Programme.[445] This organisation not only included the new entrepreneurs but also some of the more experienced ones who had decided to move a part of their operations to rural areas to increase the production of categories covered by quota.

The government scheme had, however, not only created a group of entrepreneurs profiting from the new incentives but also a whole number of old entrepreneurs who saw the growth of their business threatened. Many of them owned small or medium size firms and had profited from the growth of the garment industry in the 1980s but did not have enough capital to expand their operations to the rural areas and were thus not allowed to profit from the tax incentives by the Board of Investment. It was these entrepreneurs, who now formed another employers' association, the Sri Lanka Chamber of Garment Exporters.[446] Within only a couple of months, the garment production regime in Sri Lanka thus experienced the emergence of two new corporate actors. Even though both of them were not to achieve the political power held by the SLAEA and the FTZMA, they nevertheless contributed to the overall increase of political power in the hands of associations in the garment sector, which was to influence the future directions of industrial policy. The growing lobbying power of the associations was, however, not matched by their influence on the business strategies of their members. This was demonstrated by the fact that they weren't in a position to ensure that a higher amount of quota allocated to Sri Lanka could be used.[447]

The economic development in the years between 1986 and 1995 was influenced both by social and political ruptures, the rules and regulations established by the po-

---

444 Dunham and Kelegama (1997), p. 186, Leonard (1994), Sunday Times (1994)
445 Daily News (1993a)
446 Sri Lanka Chamber of Garment Exporters (1993)
447 Kelegama and Epaarachchi (2002), p. 221

litical and administrative regime but also by economic trajectories at the global level, namely the overall growth of garments manufactured in Asia. Whereas the Sri Lankan economy had experienced growth rates around 2.5 percent in the late 1980s, the annual average economic growth rate was at over 5 percent again between 1990 and 1995.[448] Similar to the years before 1986, this growth was mainly based on the expansion of the garment industry, whose exports earnings were growing more than 18.7 percent between 1985 and 1990 and another 19.6 between 1990 and 1995;[449] as envisioned by the government, the number of garment factories grew rapidly in this period, from 142 in 1990 to 678 in 1995.[450] Similar to the period of 1977, this growth was fuelled by the influx of FDI, which increased by more than 200 percent alone in the years between 1990 and 1995 and also led to some joint venture firms in the rural areas.[451] The share of garments in the total composition of exports subsequently rose from 22 percent in 1985 to 32.8 percent in 1990 and to 48.7 percent in 1995.[452] The growth of the garment industry was paralleled by declining production in other sectors of the economy. The share of tea in the export basket, for instance, went down from 33.2 percent in 1985 to 12.6 percent in 1995.[453] In contrast to expectations by politicians, notably the production of high-tech electronic products did not increase in these years.[454] And as there was a decline in the production of several sub-sectors of the manufacturing sector, the share of this sector in total exports only increased from 16.2 percent in 1987 to 19.7 percent in 1994.[455]

The growth of the economic weight of the garment industry was reflected by tremendous employment generation in this sector, with the number of jobs in this sector rising from 142 000 in 1990 to 250 000 in 1995, many of which were created in the rural areas of the country.[456] Within this very short period, the contribution of the labour force of the garment industry to that of the entire manufacturing sector, which saw the retrenchment of 30'000-50’000 workers in the privatised pubic enterprises, rose from 15 to 30 percent, whereas its contribution to the Sri Lankan labour as a

---

448 Own computation on the basis of data in Dunham and Kelegama (1997, p. 182), Sarvananthan (2005b, p. 28).
449 Kelegama and Epaarachchi (2002), p. 207
450 Kelegama and Wijayasiri (2004), p. 15
451 Own computation on the basis of data in Daily News (1993b), Kelegama and Wijayasiri (2004, p. 15).
452 Kelegama and Wijayasiri (2004), p. 17
453 Loc. cit.
454 Athukorala (1998), p. 406
455 Abeyratne (1998), p. 307
456 Kelegama and Wijayasiri (2004), p. 15

whole grew from 2 to 5 percent in the same period.[457] Even though the growth of the Sri Lankan garment industry was fast, it was not as fast as the respective growth in the entire South Asian region.[458] In fact, it was rather a consequence of the further translocation of the garment industry to South Asian countries than a result of Premadasa's 200 Garment Factories Programme.[459] In any event, the growth of the garment industry in the period from 1990 to 1995 certainly marked an increasing dependency of the country's economy from this one economic sector.

7.4 The garment production regime during and after the phase out of quota

Whereas the first phase of the development of the garment production regime was marked by the economic reforms of 1977 and the global relocation process of the garment industry and its second phase was strongly influenced by the quota regime imposed on Sri Lanka's garment exports and by the specific way the government appropriated this system under the 200 Garment Factories Programme, the third phase was characterised by another change in the global garment production regime: the Agreement on Textiles and Clothing (ATC) of the year 1995, which meant the liberalisation of the global garment trade within a period of ten years. Later in this period, Sri Lanka signed an agreement with the EU that lifted all quantitative restrictions of Sri Lanka's garment exports to the union from March 2001, in exchange for tariff and duty reductions from the side of Sri Lanka.[460]

Before it became clear that the global trade in garments would be liberalised from early 2005, the UNP government had to leave their seats in the government to the opposition party in 1994. Despite the left-leaning orientation of some members of the cabinet, the SLFP government under Chandrika Bandaranaike Kumaratunga did not introduce any major changes to Sri Lanka's industrial policy-framework. Most importantly, it re-affirmed that private sector led industrial growth would be the its key economic strategy and that it would be committed to privatise public enterprises, a task which was to be driven by the Public Enterprise Reforms Commission.[461] Government interventions were focussed on infrastructure development, i.e. on the establishment

---

457 Own computation on the basis of data in Kelegama and Wijayasiri (2004), p. 15), World Bank (2004, p. 79); on the closure of public enterprises see Salih (2001, p. 33).

458 Gereffi (1999), p. 50

459 Athukorala (1998), p. 402

460 Kelegama and Epaarachchi (2002), p. 202

461 Bandaranaike Kumaratunga (1994); for details on the Public Enterprise Commission see Price Waterhouse Coopers (2004, section IV).

of more FTZs outside the Western Province, but also on attracting FDI.[462] For obvious reasons, this policy framework was warmly welcomed not only by many representatives of the private sector but also by the donor agencies.[463]

In order to contribute to the further growth of the garment industry, the government introduced, similar to the scheme implemented some years before, a 50 Garment Factories Programme, which aimed at creating employment in the rural areas by providing tax incentives to companies opening a factory in these parts of the country. In contrast to the earlier scheme, however, this programme did not include any special quota allocation for the respective entrepreneurs and had no effects on the size of the industry and on the organisations representing it.[464] Much more important was, however, the fact that the SLFP government, in its effort to reform trade and tax policies, decided to entirely abolish the tariffs on imported materials for the garment industry in 1997.[465] The local textile industry, whose competitiveness on the domestic market for yarns and fabrics had always been based on some sort of fiscal protection, was now seriously challenged by imports from other countries. The government had to initiate a restructuring programme in 1998 and to introduce the so-called Textile Debt Recovery Fund, which aimed at modernising the industry through investments in new technology.[466] These measures were, however, not adequate to back the textile industry, which resulted in the bankruptcy of a number of private mills, many of which had been privatised some years before.[467] The massive lowering of import duties was, of course, in the interest of the garment manufacturers. This development thus marked the increasing lobbying power of the garment entrepreneurs at the expense of the owners of textile mills, who had had tremendous influence on the duty and tariff structure in the previous post-liberalisation era.[468]

Despite, on the one hand, advice from the World Bank to liberalise the labour market and, on the other hand, pressure from labour unions to be allowed in the FTZs, the new government did not introduce any changes to labour policies, even though the SLFP, in its election campaign, had strongly criticised the UNP for having had a repressive stand against labour since its coming into power in 1977.[469] The govern-

---

462 Kelegama (2006a), pp. 205f
463 See, for instance, World Bank (2000d, p. iv).
464 Sri Nissanka (1999)
465 Saheed (2002), p. 18
466 Loc. cit.
467 Ibid., p. 24
468 Kelegama and Foley (2004), p. 127
469 Ranaraja (2005), p. 187

ment indeed announced a Workers' Charter in 1995 which planned to allow trade unions to enter the FZTs; but the charter was never implemented despite the formulation of the Industrial Dispute Amendment Act 56 of 1999, which, however, only gave labour unions limited rights to directly bargain with employers.[470]

The second half of the 1990s, which also saw a partial liberalisation of the imports to Western countries by 18 percent in the year 1998, experienced an unabated growth of the garment industry that strongly contributed to the overall economic growth in these years.[471] The value of Sri Lankan garment exports to the US increased by more than 76 percent between 1994 and 2001.[472] A substantial share of the operations was backed by FDI, which grew from US $ 108 million to US $ 158 million in the years 1995 to 1998 alone.[473] The number of garment factories thus went up by 56 percent between 1995 and 2002.[474] Similar to the two previous decades, the growth of the garment industry was not paralleled by similar growth in the other segments of the manufacturing sector, whose contribution to the country's GDP had declined from 17.5 to 16.5 between 1990 and 2000 whereas the respective contribution of the service sector grew from 49.5 percent in 1990 to 54.6 percent in 2000.[475]

The growing economic weight of the garment industry was also reflected by the growth of employment in this sector by 32 percent between 1995 and 2002.[476] The tremendous growth of employment in this industry has, however, to be put into perspective: as the entire Sri Lankan labour force grew by close to 21 percent between 1995 and 2002, the overall contribution by the garment industry to the total labour force of the country remained at only 6 percent; its growth was thus lower than the growth of employment in the entire manufacturing sector and the service sector, which went up from 15 to 17 percent and from 42 to 45 percent respectively between 1995 and 2002.[477]

Similar to many other countries, Sri Lanka experienced economic turbulences in the years 2001 and 2002. The attacks on the main international airport in July 2001 made buyers concerned about the security situation in Sri Lanka and those in the US

---

470 Nakkawite and Nanayakkara (1995), Parliament of the Democratic Socialist Republic of Sri Lanka (1999)
471 Kelegama (2006a), p. 141
472 Own computation on the basis of data in Gereffi and Memedovic (2003, p. 10).
473 Kelegama and Wijayasiri (2004), p. 15
474 Own computation on the basis of data in Kelegama and Wijayasiri (2004, p. 15).
475 Sarvananthan (2005b), p. 29
476 Own computation on the basis of data in Kelegama and Wijayasiri (2004, p. 15).
477 Kelegama and Wijayasiri (2004), World Bank (2004), p. 79

in September 2001 resulted in a global recession in the following year; the Sri Lankan garment industry thus contracted for the first time in its history: Its share in total exports went down from 54 percent in 2000 to 51.6 percent in 2002.[478] This slump was particularly worrying for the manufacturers, as the year 2002 also marked a further liberalisation of the garment imports to the US by 18 percent, an opportunity, which was used by the manufacturers in India, Pakistan and China to further expand their exports.[479] The perspective for Sri Lanka to sustain the challenges posed by the entire liberalisation of the global garment trade in the beginning of 2005 thus seemed bleak to many observers. The economic crisis of 2002 preceded another government change and the formulation of a new reform package, the Regaining Sri Lanka Initiative, which aimed at further deregulation, adjustment and liberalisation.[480] The garment industry, this was the thinking of the new UNP government, could not be strengthened by more government intervention but only by better access to markets in the West. For this reason, the government initiated negotiations for a free trade agreement with the US in 2002.[481]

In the context of the economic crisis of 2001/02, the looming liberalisation of the global garment trade and the advent of a new, decidedly private sector-friendly government, the key representatives of the garment industry began to make to their voices heard in a more prominent way. Basically, many of them were of the view that further deregulations alone and a possible free trade agreement with the US would suffice for the industry to remain competitive after the end of the MFA. For this reason, the heads of the existing employers associations in the garment industry decided to form a committee that would draft a Five Year Strategy for the garment industry; this strategy was not only to give an overall direction to the future development of the industry but was also to lay out proposals to the government in those areas, where its support was considered vital for the sustainability of the industry. The composition of the committee clearly reflected the distribution of power in the national garment production regime at that time and the respective changes since the years of the 200 Garment Factories Programme. The committee was chaired by Mahesh Amalean, a previous chairman of the SLAEA and the head of MAS Holdings, one of the two biggest manufacturers of garments; furthermore, it included Ashroff Omar, an

478 Kelegama and Wijayasiri (2004), p. 17
479 Kelegama and Wickramasinghe (2004), p. 232
480 Government of Sri Lanka (2002), Kelegama (2006a), p. 30
481 Kelegama (2004), p. 215

earlier chairman of the SLAEA himself, and the head of Brandix, the other of the two largest manufacturers in the country.[482] Both men originated from Indian families that had been involved in the textile business for several decades, had constantly built up their companies through FDI-backed joint ventures and were now steering companies, which were unlikely to be negatively affected by the phasing out of the MFA. In contrast to the majority of entrepreneurs in Sri Lanka, their companies had ventured into the production of non-quota and higher value-added garments and were about to integrate both backward and forward linkages into their business, which marked a strategy of industrial upgrading from Original Equipment Manufacturing (OEM) to Original Brand Manufacturing (OBM).

The Five Year Strategy paper produced by this committee clearly reflected the thinking of the two former chairmen of the SLAEA. First, it envisioned the entire Sri Lankan industry to move from simple manufacturing to the provision of fully integrated services for buyers, which would range from the analysis of market information, to the development of product concepts and designs, to high quality manufacturing and after-sale services.[483] Second, it planned to "increase market penetration to the premium market segments of the global apparel industry" and to "become internationally famous as a superior manufacture of specific product categories", such as active and sports wear, casual wear, children's wear and intimates.[484] The strategy recommended various measures to be taken by the government, the associations and the individual entrepreneurs with regard to different aspects of the garment production regime. Being aware that the actual power of Sri Lankan associations vis-à-vis their own members remained limited, the strategy expected the government to strongly support the industry in terms of increasing privileged access to Western markets, of reforming labour laws and, crucially, in terms of skill development.[485]

The Five Year Strategy was a remarkable document not only insofar as it was a very comprehensive paper giving an overall direction to the future development of the industry but also as it was an initiative driven by a segment of garment entrepreneurs, who pressed both the government and their fellow entrepreneurs to overhaul Sri Lanka's garment production regime in a way they considered both feasible *and* conducive for the development of their own companies. The contents of the strategy

---

482 Joint Apparel Association Forum (2002), p. 3
483 Ibid., p. 5
484 Loc. cit.
485 Ibid., pp. 33f

thus were potentially explosive and could not have emerged from a political-administrative process in Sri Lanka. It indeed envisioned an industry dominated not by a bunch of thriving SMEs but rather by a few large companies controlling all the linkages to the buyers and giving out sub-contracts to smaller companies arranged in clusters.[486]

One of the key recommendations of the Five Year Strategy was the formation of an umbrella organisation to unite the voices of the different employers associations and to oversee the implementation of the Five Year Strategy.[487] Within the period of only a few months, the Joint Apparel Association Forum (JAAF) was established; Ashroff Omar was selected as the head of the organisation and of the executive committee, in which the different employers associations in the garment sector were represented. In order to implement the recommendations of the Five Year Strategy in more detail, a number of thematic committees were formed, which were, for instance, to lobby for the revision of labour laws, the development of the SME sector and for human resources development. The latter committee was headed by Mahesh Amalean, who was of the view that HRD was one of the key topics to be addressed by JAAF in order to transform Sri Lanka's garment industry into a "knowledge based industry to stay on top of competition and keep pace with global changes".[488]

Whereas the lobbying process in the 1990s had been characterised by heads of the different associations individually contacting both politicians and public servants, the formation of JAAF resulted in a more coordinated lobbying process. Even though the heads of the member associations of JAAF, mainly those of the SMEs, certainly retained the freedom to informally interact with decision makers in the public sector, they now faced greater difficulties to be stakeholders in the formal process of policy-making itself. One such key body was the National Council of Economic Development (NECD), which included representatives of academia, the private sector and the public administration and had, in 2005, Ashroff Omar, the head of JAAF, as one of the co-chairs of the Apparel Cluster Committee, jointly with the Secretary of the Ministry of Industry and Investment Promotion.[489] The concerted lobbying efforts of the

---

486 Weerakoon and Wijayasiri (2004), p. 259; critique of JAAF's policies is not often voiced in public but was, however, included in some of the interviews; see e.g. SL_Int_Firm07_Representative1 (p. 1/l. 9-14), SL_Int_Firm18_Representative1 (p. 6/l. 6-7); for a critique by an SME representative on the cluster concept see SL_Int_Firm22_Representative1 (p. 3/l. 15-17).

487 Joint Apparel Association Forum (2002), p. 28

488 Samaraweera (2007)

489 Jayasundra (2005), p. 11

garment entrepreneurs were quite successful, as – in its budgets for the years 2004, 2005 and 2006 – the government announced various schemes, through which the garment sector was to be supported. A first such scheme concerned a 600 Rs. million credit guarantee for the SME and a second one intended to strengthen the skill base of the industry by establishing a College of Apparels and Textiles.[490] Both of these schemes were, however, not implemented, due to the lack of consensus between JAAF and the implementing government agencies but also among the different members of JAAF.[491]

From the outset JAAF also started to lobby donor agencies, which were strongly interested in the sustainability of the garment industry from a poverty reduction perspective. The lobbying activities resulted in the ILO Factory Improvement Programme, which aimed at upgrading the skills of the workforce through consultancies provided by overseas experts.[492] A next programme, the Productivity Improvement Programme, was specifically designed for the needs of the SME sector and to be supported by the European Union.[493] The aid agency, however, withdrew from the project, which made the government announce in its budget speech for the year 2005 to finance it with its own funds.[494] The implementation of the project, namely the selection of beneficiaries, was left in the hands of JAAF, which soon had to face severe criticism from the side of the SME representatives and the civil servants in charge that the consultancies were actually catering to the needs of the large and extra-large firms. A second phase of the project, again funded by the government, was thus implemented by the Sri Lanka Chamber of Garment Exporters, the association of the SMEs, a development, which not only symbolised the low esteem of JAAF among SMEs but also the increasingly critical attitude by the government representatives towards the umbrella organisation.[495]

JAAF not only concerted the lobbying efforts within Sri Lanka itself but also in the major markets for Sri Lankan garments. One of the major tasks of JAAF was to improve the global image of the Sri Lankan garment industry, which was not only suffering from the bad human rights record of the government but also from the rising pro-

---

490 Daily News (2005)
491 SL_Int_Firm12_Representative1 (p. 1/l. 13-14), SL_Int_Firm18_Representative1 (p. 1/l. 9-10)
492 Mannapperuma (2003)
493 Joint Apparel Association Forum (2003)
494 Bandaranaike (2004)
495 Sunday Observer (2007); on the sceptical attitude of leading public servants see SL_Int_AdminUnit1_Representative1 (p. 5/l. 1-5).

duction costs. The main campaign in this regard bore the slogan “Garments without Guilt” and aimed at assuring global buyers that garments from Sri Lanka were produced in a setting where workers’ rights were respected.[496] At the same time, the representatives of JAAF began to promote that garments from Sri Lanka were not only produced in a compliant way but also by a highly trained workforce, which was basically true for many of the large companies. They thus emphasised that the Sri Lankan garment industry was moving towards a “knowledge based industry”, a concept, which was taken up well by the buyers both in Europe and the US and also reflected the World Bank’s emphasis of Sri Lanka’s need to strife for integration in the global “knowledge economy”.[497] A further important task for JAAF was to strengthen the ties to the US in order to make its government sign a free trade agreement with Sri Lanka. Not only was JAAF financing a company, which lobbied for the agreement, but also was it directly involved into trade negotiations between the two governments, which led to duty free access of American cotton to Sri Lanka.[498] Understanding that lobbying in countries like the US included the continuous improvement of networks, JAAF started to establish contacts to leading American academic institutions, namely to the North Carolina State University, one of the key organisations in textile-related research, and to the Fulbright Commission, a US-government sponsored agency in the field of academic exchange and knowledge transfer.[499] All these events would be tremendously important for the development of the out-of-firm skill formation regime. Before, we, however, look at this part of the skill formation regime, we need to scrutinise, in more detail, the evolution of training processes within firms.

---

496 See Sri Lanka Apparel (2008); on the strategy behind the concept see SL_Int_Association1_Representative1 (p. 10/l. 36-41)

497 Samaraweera (2007), World Bank (2007), p. 20, SL_Int_Association1_Representative1 (p. 10/l. 36-41)

498 Jayewardene (2004)

499 Samaraweera (2007)

8 The development of the skill formation regime of the garment industry in Sri Lanka

8.1 The development of the in-firm skill formation regime

Even though firms organised along the lines of export-oriented industrial production only developed in the 20th century, work shops and small industrial units had existed in the rural areas of Sri Lanka for many centuries. As in most traditional industries in many other parts of the world, the production arrangements in these industries relied on apprenticeship training as the most important institution for skill formation; thereby, the skills of a master craftsman were transmitted to an apprentice, who was first mainly watching and was then gradually involved in production.[500] With the advent of modern industries in the urban areas of Sri Lanka, the traditional form of transmitting skills to new recruits was retained to a certain degree but had to be complemented by more formal training processes, as the technology and the respective production processes were not only new to the recruits but also to the country itself. This was particularly true for the textile industry: with the introduction of power looms in Sri Lanka in the beginning of the 20th century, staff of both private and public mills was sent to Japan and India in order to get trained in order to run and to maintain the imported technology for weaving, dyeing and finishing. Even after independence, many technicians and professionals working for the mills under the National Textile Corporation were sent to India, even though many of them were also trained by expatriate weaving masters, who often came from India. From this type of skill transfer to the state mills, the few locally owned private mills were profiting as well, as they managed to poach some of the skilled staff from the public mills.[501]

8.1.1 The in-firm skill formation regime before the imposition of garment quota

At that time, prior to the economic reforms of 1977, the size of the Sri Lankan garment industry was small compared to that of the textile industry but the few existing ventures relied on similar skill formation arrangements. In order to acquire the skills to operate the new technology, a part of the technical staff was sent abroad, mainly to India; once the staff was back in production, they trained the other employees on-

---

500 Ratwatte (1987), p. 9; on the skill formation processes in traditional economic settings from a anthropological perspective see Lave (1996).

501 Pararajasingham (2006), pp. 212f

the-job.[502] This transfer of skills from abroad was certainly facilitated by the fact that some of the early Sri Lankan garment manufacturers had, as pointed out in section 7.2, established wide business networks in the entire Indian subcontinent.

With the start of the export-oriented garment industry in the 1970s, the production arrangements of individual garment factories were integrated into global supply chains, which were, at least in this complexity, entirely new to Sri Lanka. The industry now not only produced for overseas markets but was, in contrast to the locally oriented textile industry, driven by foreign investors and buyers, who confined the emerging industrial units to only get involved into the CTM part of the production process. Most of the new factories were, in contrast to the ones producing for the local market, neither engaged in product development, nor in merchandising nor in the marketing of their products. The growth of an export-oriented garment industry thus led to production arrangements, which required the Sri Lankan manufacturing units to focus on a comparatively small range of shop floor related skills and thus contrasted both with the considerably more technology-intensive production regime of the textile industry and with the more integrated production regime of the previous import-substituting garment industry.

The export-orientation of the emerging garment production regime, however, did not only entail a focus on shop floor related skills and production processes but also required the factories to train the skills of all occupational categories – operating personnel, technicians, clerical personnel and managers – to meet the new requirements of an export-oriented industry in terms of technology, quality and productivity. As we will see, the Sri Lankan garment industry therefore increasingly relied on bringing in skills from abroad and thus continued the tradition of the import-substituting textile and garment industries.

When the expansion of the export-oriented garment industry started, a considerable amount of production-related skills were imported by foreign investors, who had previously manufactured garments in a different location and were thus well conversant with the different aspects of the production process. GIL Garments, the first FDI-backed garment factory, operated in this way already from 1974, some years before the economic liberalisation. The company, a joint venture between Japanese entrepreneurs and the local Ganegoda family, employed expatriate technicians and consultants from Western countries, who were involved into production planning, moni-

[502] See e.g. the notes on a major hosiery factory in Pararajasingham (2006, pp. 212).

tored the quality and efficiency of the production process and trained the local staff.[503] Once the relocation process away from the NIEs to Sri Lanka had gained momentum after 1977, many Chinese technicians, who had previously worked in Hong Kong, Singapore and Malaysia, became involved into this skill transfer.[504] Some of these overseas technicians also joined locally-owned factories, whose buyers wanted to develop and closely monitor the production processes in the factories of their suppliers.[505] This type of skill transfer from buyers to their suppliers, often complemented by Sri Lankans being allowed to visit the factories in the Far East, was a result of the fact that many of the early local garment exporters had wide-ranging business relations that helped them to enter such attractive agreements.[506] This was particularly true for the entrepreneurs of Indian origin who had established their business networks through garment imports and textile production.[507]

A considerable part of the skill formation process occurred at the level of the sewing operators, most of which were females from the rural areas who had undergone some years of schooling. In some of the FDI-backed factories, operators acquired their skills in training lines outside production, where the trainees learned to operate and to control the machines and to stitch the seams. Other factories tried to poach skilled operators from these factories or first employed their trainees as helpers, who had to assist the more experienced operators and to thereby observe them in order to become skilled themselves.[508] Operators involved into cutting of fabric were generally male; their training was, however, basically on-the-job as the process of cutting itself necessarily involved helpers to lay the fabric. The operating personnel on the sewing and the cutting floor were working under a hierarchy of supervising personnel and managers, all of which had to be adequately trained. At the lower supervisory level, many employees were promoted from among the operator level and were then trained, if available, by expatriate technicians and managers or, otherwise, by experienced Sri Lankan staff.

---

503 SL_Int_Association3_Representative1 (p. 3/l. 11-14)

504 Pararajasingham (2006), p. 183

505 On European technicians see SL_Int_Association3_Representative2 (p. 4/l.2-6), SL_Int_Firm09_Representative1 (p. 3/l.29-33); on Chinese technicians see SL_Int_Firm27_Representative1 (p.3/l.15-19).

506 SL_Int_Firm09_Representative1 (p. 3/l.45-47)

507 Ibid. (p. 2/l. 22-30 & p. 2/l. 42-43)

508 For an account of skilled operators being poached in the immediate post-1977 period see SL_Int_Firm22_Representative1 (p. 2/l. 4-5).

The new recruits to the managerial level of many of the foreign-owned garment factories generally consisted of the sons of upper middle-class, Anglicised families, many of which had resented the closed-door economy of the mid-1970s. Already before 1977, they had become reluctant to work in the public sector and the economic reforms corroborated their attitude. To many of them, a career in the garment industry meant involvement into global trade, a working environment at least partly characterised by foreign technology and access to wealth, which had, in fact, been available to the few local garment exporters of the first half of the 1970s.[509] The employers of the foreign-owned firms expected the recruits to the management level to have finalised their A-levels, and in some cases they would even have preferred university degrees. In many locally owned factories, especially the ones which entertained close contacts to their buyers, the process to recruit mid-level managers was not very different from the ones in the foreign-owned firms and they thus also employed some of the sons of the upper-middle classes[510]

In most units that were fully or partially owned by foreign investors the training of the mid-management personnel was comparatively structured already at an early point in time. Depending on the extent of exchange with buyers, this was true for the locally owned factories as well. Many factories institutionalised in-firm training periods during which the new recruits to the management level were attached, under the supervision of both local and foreign managers and technicians, to the different departments of the firm during a couple of weeks or even month, without being involved into production to a high extent. The training period included a considerable amount of practical exercises in the different departments. In the sewing department, the trainees had to prepare samples and to stitch the garments and to familiarise themselves with the machines, the different types of needles and threads before getting involved into production planning and management.[511] Some of the trainees decided to undergo training outside the firm also, for instance at the National Institute of Management (NIBM), which had become affiliated with an English university and met with increasing demand in these years.[512] In some cases, these trainees were also sent to firms in Europe, the US or in East Asia.[513] When the Sri Lankan managers were trained and experienced enough to run production themselves, especially the owners

509 SL_Int_Association3_Representative2 (p. 2/l. 42, p. 3/23-26 & p. 4/l. 1-3)
510 SL_Int_Firm28_Representative1 (p. 5/l.1-5)
511 SL_Int_Firm27_Representative1 (p. 2/l. 16-19 & p. 2/l. 22-25)
512 SL_Int_Firm28_Representative1 (p. 4/l. 42-44)
513 On the respective arrangements at Dial Textiles see Pararajasingham (2006, p. 183).

of the local factories often sent the technicians from overseas back to their home countries.[514]

Certainly, the post-1977 garment production arrangements in many of both the locally and foreign-owned firms were characterised by indecent labour conditions. Especially the women working as operators not only had to work under harsh circumstances on the shop floor but also had to cope with the poor reputation of their occupation, which the general public considered to be linked to prostitution.[515] However, it was during these years that Sri Lanka saw the establishment of a high number of modern and sophisticated garment factories, which were modelled along the lines of the production units in the Far East. A structured approach to training became part of these production arrangements. Poaching of trained employees may have occurred, but certainly not to an extent, which would have deterred employers from investments in training. Training was, indeed, a firmly institutionalised practice of many of the leading firms. It had been successfully applied in different geographical contexts, had thus become deeply entrenched in their production arrangements and could not be undermined by the sporadic losses of trained employees. Institutionalised skill formation processes were not to be confined to the foreign firms. Not only were there a number of locally owned factories, which relied on comparatively similar production arrangements, but also were the employees of many foreign firms to establish their own companies, which would feature the characteristics of their mother firms.

8.1.2 The in-firm skill formation regime during the quota regime

When the MFA quotas were gradually imposed on Sri Lankan garments in the beginning of the 1980s, this meant a new framework of incentives, which was, as shown in section 7.3, to tremendously influence the production regime of Sri Lankan garment industry, but also the business strategies of individual entrepreneurs and, thus, the garment production arrangements at the firm level: by the year 1994, 49.6 percent of all garments exported from Sri Lanka to all parts of the world and 83.6 percent of those exported to the US only were items covered by quota.[516] Even though manufacturers had the opportunity to produce non-quota items, there were obviously strong incentives to focus on the product categories covered by quota. Certainly, items like trousers and blouses, the quota for which were used up by 126 and

514 SL_Int_Firm27_Representative1 (p. 3/l. 8-10)
515 See, for instance, Perera (1982).
516 Kelegama and Epaarachchi (2002), p. 203, Kelegama and Wijayasiri (2004), p. 24

100 percent respectively in the year 1990, were easier to manufacture and were technically less demanding.[517] Furthermore, manufacturers who decided to produce quota-restricted items had their sales volumes guaranteed to a high extent, at least as long as they met some of the most basic expectations of buyers with regard to quality and time of delivery. There was, under the quota regime, comparatively little pressure to raise productivity by lowering production costs or by venturing into higher-value added products.[518] The emerging incentive structure in quota-oriented firms was thus not conducive for the further development of investment-oriented skill formation arrangements, especially in entirely locally owned firms, which could not profit from the constant transfer of technology and the respective skills from their overseas mother companies.

The drift towards a low-productivity and low-skill garment production regime accelerated in the beginning of the 1990s, when there was an increasing global demand for garments from South Asia. The drift was particularly marked in the firms under the government sponsored 200 Garment Factories Programme.[519] According to industry surveys in these years, the mean man-machine in the firms under the programme was at approximately 2.5:1, bringing the respective ratio for entire Sri Lanka to 1.8:1, which was high compared to, for instance, Hong Kong whose ratio was at 1.2:1. Correspondingly, the investment into technology in these firms was low, which led to instances where 10 workers were needed to stitch one pocket, whereas it could have been done by one person sitting on a suitable machine.[520]

There were several reasons for the development of such a low-productivity regime under the 200 Garment Factories Programme. The most obvious reason was, of course, that the government had initiated the programme in order to generate more employment in rural areas; unproductive production processes involving unsophisticated technologies was certainly not regarded as a major barrier to this aim; furthermore, individual firms were operating in an increasingly unstable and highly politicised business environment. On the one hand, manufacturers started to act according to an incentive structure, in which profits were not being reaped through high quality production but rather through observation of the political codes of conduct. On the other hand, the enormous growth of the garment sector under the programme

---

517 Edwards and Kelegama (1996), p. 18, Gereffi (1999), p. 51

518 Ceylon Chamber of Commerce (1994), p. 24

519 Kelegama and Epaarachchi (2004), p. 95; on the low productivity of the 200 GFP see also Ceylon Chamber of Commerce (1994, p. 29), Yatawara (2004, p. 255).

520 Kelegama and Epaarachchi (2004), p. 95

strained the position of both the previous and the upcoming entrepreneurs. With the massive growth of the output of garments, unit prices decreased and quotas became scarcer, leading to the annual quota being used up long before the close of the respective period.[521] Many of the new firms soon were on the fringe of becoming insolvent and were hoping to be bailed out by the government.[522] Understandably, this was no environment, which would motivate entrepreneurs to invest into both technology and skill formation.

The virtual de-skilling of the garment industry as a whole was strongly interrelated with the growth of the industry itself. As garment factories were mushrooming in areas so far hardly touched by industrial development, there was an emerging shortage of employees at all levels of the garment sector, which was lamented by both the entrepreneurs, the political decision makers and the media.[523] Operators working on the shop floor were hardly trained, not only as the experienced personnel to train them was lacking but also as labour turnover was high, which posed a tremendous disincentive for entrepreneurs to invest in in-firm training.[524] Whereas operators could be recruited in the rural areas, skilled technicians such as pattern makers and cutters were more difficult to find.[525] Similarly, only few experienced and talented managers were ready to leave the urban dwellings and to move to areas, which they considered not only hard to reach but also economically and culturally backward.[526]

The drift towards a low-productivity and low-skill garment production under the quota regime certainly did not encompass the entire community of garment entrepreneurs in Sri Lanka, as, in fact, more than 50 percent of garments exported from Sri Lanka were non-quota items. But these garments, which were technically more complex products and thus required higher technical skills of all those involved in the production process, were mostly produced by fully or partially FDI-backed firms, many of them in the FTZs, and a few of the local firms that had decided to take a different path than most of their local competitors. One of the most characteristic effects of this period was thus an emerging division of the industry into a very small, but highly productive, skill and technology intensive section of firms and a much larger, more labour-intensive, less productive and less skill intensive section of the industry. These

---

521 Ceylon Chamber of Commerce (1994), p. 29, Jayasinghe (1992)
522 Island (1994)
523 Perera (1993), Wijesekare (1991)
524 Ceylon Chamber of Commerce (1994), p. 25
525 Loc. cit.
526 Loc. cit.

differences were to increase in the years after 1995, when the stakeholders in the Uruguay Round process decided to phase out the quota regime under the MFA by early 2005.

8.1.3 The in-firm skill formation regime during and after the phase out of quota

In the decade after the ATC had been agreed on in 1995, the global garment production regime was, as described in section 4.3, increasingly characterised by three different tendencies: first, by increasing price competition between manufacturers, second, by end customers and buyers being increasingly concerned about labour conditions in the garment industry and, third, by the growing bargaining power of retailers and buyers. The Sri Lankan government was not in a position to mitigate the pressure arising from these tendencies for the majority of manufacturers, and these tendencies were thus to have different effects on the two groups of manufactures in Sri Lanka. By 2005, when the garment trade was liberalised, the competitiveness of the more technology and skill-intensive firms had not only been strengthened but they, in fact, had come in a position that allowed them to control the business of many of the less skill-intensive ones by turning them into their own subcontractors.[527]

The pressure arising from these tendencies became particularly strong for SMEs that did not move to the top end of the market: first, their production costs tended to be higher than in the larger firms, as competitive garment production in the liberalised global garment trade necessarily required both sophisticated technology and a highly specialised management.[528] Second, many buyers had started to source from a few large firms, which reduced their transaction costs.[529] Third, the higher ethical and social standards began to challenge the smaller firms to a higher extent than the bigger ones, as the required improvement of infrastructure and the limits to overtime again increased production costs.[530] The production arrangements of a high number of firms therefore started to be characterised by a dearth of technology and skilled personnel, decreasing orders, low productivity and poor working conditions.[531]

These characteristics of the production arrangements in many SMEs undermined continuous skill formation: on the one hand, production processes started to be so

---

527 Fonseka (2004), pp. 146-150, Weerakoon and Wijayasiri (2004), p. 259

528 SL_Int_Firm09_Representative1 (p. 5/l.46-48 & p. 6/l.1-6)

529 On the respective government strategy see Jayasundra (2005); for an SME perspective see, for instance, SL_Int_Firm22_Representative1 (p. 3 / l.16-17).

530 Daniel (2006)

531 Kasturisinghe (2005), Kelegama and Epaarachchi (2004), p. 83, Warushamana (2005)

much under strain that employers were not ready to invest production time or financial capital into training. On the other hand, the poor working conditions led to high labour turnover and prevented more qualified and experienced staff from other units seeking employment in such firms. The skill formation arrangements in these firms were thus dominated by – often futile – poaching strategies, limited on-the-job training and the continuous promotion of senior employees to the next higher levels.

Some aspects of these skill formation arrangements became partly visible at the level of operators: low wages, long overtime, the low social status of this occupation and the various alternative employment opportunities for socio-economically disadvantaged women from rural areas, rendered it difficult for many SMEs to poach experienced operators in sufficient numbers from other firms or to employ school leavers who had undergone some pre-employment training as operators.[532] Personal relations to politicians and to representatives of public training centres or access to female workers of tea plantations thus became crucial in this regard.[533] Having searched in vain, many firms therefore had to reluctantly employ new, inexperienced recruits as helpers, who assisted the operators, and thus learned how to handle the machines.[534] Training lines outside production were seldom, as the employers didn't want to keep the new employees out of the production cycle for long.[535]

Supervisors were normally promoted from the operator level, which made it more attractive for operators to stay with a factory for a long time.[536] Among the selection criteria, loyalty to the factory was thus more important than the educational level, and thus, supervisors in these firms had often dropped out from school after their O-levels. Once employed, supervisors in these firms tended not to undergo firm-financed further training outside the firms.[537] In contrast to the sewing supervisors, technicians such as mechanics and pattern makers often underwent some sort of pre-employment training in a private or a public training centre and had been trained on-the-job by their immediate superiors, even though in some firms, trainee mechanics were also recruited from among the male operators.[538] The management staff of

---

532 This problem was mentioned by many entrepreneurs; see e.g. SL_Int_Firm08_Representative1 (p. 1/l. 15-17), SL_Int_Firm18_Representative1 (p. 1/l. 15-22), SL_Int_Firm29_Representative1 (p. 1/l. 10-14).

533 On contacts of SMEs to training centres see SL_Int_Firm18_Representative1 (p.1, l. 17-22).

534 SL_Int_Firm21_Representative1 (p. 2/l. 6-11)

535 SL_Int_Firm08_Representative1 (p. 1/l. 7-13)

536 SL_Int_Firm21_Representative1 (p. 2/l. 36-37)

537 SL_CV_Firm06 (l. 13-15), SL_CV_Firm29 (l. 1-7)

538 SL_Int_Firm21_Representative1 (p. 2/l. 30-34)

these SMEs was necessarily small. Often, it consisted of a managing director supported by middle managers overseeing the available departments. Middle managers in the production-related departments had often been promoted from the operator levels and had, similar to the supervisors, hardly undergone further training outside the firms, which would have increased the risk of poaching.[539]

Skill formation processes looked very different in the more competitive firms, many of which belonged to the biggest in the country. MAS Holdings, Brandix Lanka Limited and Hirdaramani Group became the three key organisations, all of which had, after the removal of the quota system, not only increased their output but had also employed many of the retrenched workers from firms closed as a consequence of the trade liberalisations.[540] The production arrangements of these three ventures shared a number of characteristics, which went beyond the fact that they had all emerged from companies owned by Indian families, which had profited from the import-substitution policies after independence. One common characteristic was the attempt to constantly increase operations through mergers, acquisitions and joint-ventures with foreign-owned companies.[541] Their growth allowed these organisations to establish high-profile head offices, which coordinated relations to customers, operated as think-tanks and monitoring units for the entire operations. A second common characteristic was their drive towards industrial upgrading, which had changed their position in the garment supply chain.[542] Thus, they were themselves involved to a high extent into sourcing raw material, partly even producing them themselves, into designing and developing the products and into finally distributing them directly to retailers and branded marketers.[543] In those cases, where buyers wanted to retain more control over the production process, joint ventures allowed for collaborations in all these respects. A third common characteristic was their interest in being considered as ethically responsible manufacturers both in terms of social and ecological standards. Not only had the factories of these firms acquired the respective internationally recognised certifications, also had these firms heavily invested into image-building cam-

---

539 SL_CV_Firm22 (l. 8-14), SL_CV_Firm23 (l. 8-14)

540 Weerakoon and Wijayasiri (2004), p. 259

541 MAS, for instance, established a number of joint ventures with companies such a Triumph and MAST, which had specialised in the production of lingerie and allowed MAS to profit from their experience; see Daily News (1999b); Brandix emerged from a considerable merger of two major companies, which had previously been established with the help of FDI; see Observer (2003).

542 On this type of “vertical manufacturing” in Sri Lanka see Cassim (2003).

543 On the drive towards contact with end buyers see De Silva (1999), Financial Times on Sunday (2004); on MAS Active starting to produce complex garment see Fibre2Fashion (2007).

paigns, which aimed at making this commitment visible to customers abroad and to the populace in Sri Lanka.[544]

These three common aspects of the production arrangements of these firms were interrelated with similar approaches to human resources development and skill formation. Basically, the development of the skill formation arrangements was the task of specialised departments, the human resources departments or separately established training departments at the level of the individual plants and the head offices. These departments specified the job profiles of the different employment positions by delimiting the respective tasks and the skills needed to perform those tasks, monitored the individual performance of employees and eventually proposed them to undergo specific skills training.[545] Skill formation in these firms also profited from comparatively reputed working conditions both in terms of remuneration and job security, which attracted many well-trained and experienced employees to work for these firms. The structured approach to skill formation and the fact that employment by these firms was comparatively attractive could be observed at all levels of the occupational ladder.

In fact, at the level of operators, labour shortages were considerably less common than in the less technology-intensive SMEs, as both school leavers and experienced workers preferred to work for one of these firms.[546] All potential employees had to first undergo a range of physical and dexterity tests.[547] Inexperienced sewing operators then normally underwent structured training in a training line outside production for at least some days or weeks. The practice to instead let them work as helpers in the beginning of their employment period was established in some of the firms, but was less common.[548] Once the new recruits had been trained, they were rated according to their sewing skills, i.e. their speed and the number of operations they performed, and may be trained further both on and off-the-job in order to become multi-skilled

---

544 On MAS becoming a member of a global campaign for ethical manufacturing see Weerasekara (2005); on Brandix being invited by IBM for global level discussions on sustainable water management see Brandix (2008).

545 SL_Int_Firm15_Representative1/2 (p. 2/l. 38-39), SL_Int_Firm16_Representative1 (p. 2/l. 22-23)

546 SL_Int_Firm15_Representative1/2 (p. 2/l. 4-7)

547 Ibid. (p. 2/l. 13-15)

548 SL_Int_Firm26_Representative1 (p. 2/l. 43-46)

workers, who could easily be employed in the different parts of the shop floor, when new styles were being introduced or other operators were absent.[549]

Whereas most factories of the most competitive firms followed relatively comparable strategies of skill formation at the operator level, there were different emphases at the level of the supervisors. One first strategy was to recruit school leavers, who had at least done their A-levels and had possibly undergone some further training, as trainee supervisors and to specifically train them to oversee and manage the production lines.[550] Such training may have also entailed short attachments to different production departments, including cutting, sample making and packaging.[551] The second strategy was to promote operators to the supervisory level, which reduced the costs of training, minimised the risk of poaching from other firms and provided a career path to ambitious operators.[552] Promoted operators normally hadn't gone beyond their O-levels, if at all, but had excelled in terms of performance.[553] In contrast to many of the less competitive firms, which similarly relied on promotion of operators as the main strategy to recruit supervisors, these trainee supervisors underwent further training inside and outside of production, where they learned about the different technical and managerial aspects of their new position.[554] Often, training outside production eventually took place in a company-owned training organisation or in a state-funded training centre.[555]

At the technician level, i.e. at the level of pattern makers, work-study officers and designers, these more competitive firms generally recruited staff, which had done their A-levels and undergone job-related training in either a public or private training centre; in contrast to many of the less competitive firms, these firms tended to recruit employees, who had passed their A-levels at the more reputed schools in the urban areas of the Western Province. In case the new recruits were lacking any industry experience, they were being trained by their superiors, and would, in any event, be

549 SL_Int_Firm03_Representative1 (p. 2/l. 34-35), SL_Int_Firm04_Representative1 (p. 2/l. 2-4), SL_Int_Firm10_Representative1 (p. 3/l. 27-28), SL_Int_Firm26_Representative1 (p. l. 2/l. 32-37).

550 SL_CV_Firm02 (l. 32-37), SL_Int_Firm04_Representative1 (p. 1/l. 15-16)

551 SL_Int_Firm02_Representative2 (p. 1/l. 1-10)

552 SL_Int_Firm04_Representative1 (p. 2/l. 11-17), SL_Int_Firm04_Representative3 (p. 2/l. 5-8)

553 SL_Int_Firm02_Representative1 (p. 1/l. 17-18)

554 SL_Int_Firm26_Representative1 (p. 2/l. 17-19)

555 SL_CV_Firm26 (l. 33-35), SL_Int_Firm02_Representative3 (p. 1/l. 7-8), SL_Int_Firm15_Representative1/2 (p. 3/l. 36-39)

sent out for further training programmes, whose costs were generally borne by the employers.[556]

At the management level, the skill formation arrangements were similar to those at the technician level. However, most management trainees had generally undergone university training and had passed through broader in-firm training than technicians, were involved in the different departments, had to analyse production arrangements and to write the respective reports, which were then evaluated by the senior management.[557] Some firms, whose management entertained good relations with university departments, offered places for in-plant training to students, some of which were directly absorbed as management trainees once they finalised their studies.[558] Of course, not all senior managers of these firms had university degrees, as many of them had started their careers when management trainees were not expected to have undergone university training, or as A-level qualified supervisors were sometimes promoted to the management level, especially in the more rural units of these firms.[559] Certainly, however, at the head offices, managers were university-trained, and often had done their A-levels at one of the more privileged schools of the country, which also reflected their high socio-economic status. Regardless of educational background, managers of these firms underwent permanent further training, which was partly conducted at the firm-owned training centres.[560]

Having now elaborated on the historical trajectory of the in-firm skill formation regime of the Sri Lankan garment industry, we now turn to the development of the out-of-firm skill formation regime. We will see that the information contained in the last sections will be important to understand the following ones. However, the coming pages will hardly elaborate on the complementarities between the in-firm and the out-of-firm skill formation arrangements; these will be looked at in more detail in chapter 13.

---

556 SL_CV_Firm14 (l. 6-8 & 12-14), SL_Int_Firm04_Representative2 (p. 2/l. 2-13), SL_CV_Firm14 (l. 17-20), SL_CV_Firm24 (l. 7-18 & 19-33)

557 SL_Int_Firm02_Representative4 (p. 1/l. 27-37), SL_Int_Firm04_Representative2 (p. 1/l. 25-30)

558 SL_CV_Firm26 (l. 28-33)

559 SL_CV_Firm02 (l. 3-6 & 56-60), SL_CV_Firm24 (l. 3-6)

560 On the training centres of the three major garment companies see Brandix College of Clothing Technology (2006), Colombo Page News Desk (2008); see also SL_Int_Firm10_Representative2 (p. 2/l. 22-25).

8.2 The development of the out-of-firm skill formation regime

8.2.1 Skill formation programmes before the imposition of garment quota

The development of a modern textile industry in Sri Lanka in the late 19th century was, in contrast to India, not paralleled by the formation of respective formal technical education and training organisations. This was a result of the fact that most textile mills were run by British managers and technicians, and there was no indigenous political movement which would have encouraged the employment of local staff and would have pressed the government to establish technical education organisations for textile engineers.[561] The first skill formation organisation in this field was thus a private weaving school in a village close to Colombo – in Rajagiriya –, whose establishment in 1911 was not related to the development of formal industrial ventures but to the promotion of hand weaving and was the result of a private, philanthropic initiative inspired by the desire to revive Buddhist culture in Sri Lanka.[562] In subsequent years, the school was taken over by the Department of Rural Development, and its programmes were complemented by activities of further government departments.[563] In 1917, the Education Department started a weaving school in Talpawila, in the southern part of the island, and after 1936, when universal suffrage had been introduced in Ceylon, the Department of Commerce and Industries started to develop its own demonstration centres along the lines of Indian model weaving schools. There thus existed, by 1942, 16 government weaving schools and 12 assisted, i.e. partly government funded weaving schools, none of which trained technicians and managers for the modern textile industry.[564]

Whereas the government of colonial Ceylon began to foster formal training for the handloom industry in the rural areas, the modern textile sector in the urban areas therefore continued to rely on personnel trained overseas. This policy was retained after Ceylon had become independent in 1948. Up to the early 1970s, many technicians, especially weaving masters, came from other countries, mainly from India, and most indigenous managers and technicians of spinning and weaving mills in and around Colombo, both in the private and the public sector, were sent to India or to

561 On the respective development in India see Kiyokawa (1983).
562 Frost (2002), p. 960, Pararajasingham (2006), p. 212
563 Loc. cit.
564 Wickramasinghe (2003), p. 65

Japan where they underwent formal textile education programmes.[565] Both the expatriate staff and the local managers and technicians then trained their own local staff on-the-job.

After Sirimavo Bandaranaike's left-wing government had come into power in 1970 and had declared that the import substitution strategy would be at the core of its economic policy, the Ministry of Industries commissioned a report in order to assess the manpower requirements of the textile industry. The team of experts, which consisted of representatives of the National Textile Corporation, of UNIDO and of a number of government agencies, were of the view that Sri Lanka's dependence on overseas technical education organisations had to be halted and they thus proposed the government to establish respective programmes.[566] The work of this team was paralleled by the formation of the Sri Lankan section of the Textile Institute, an organisation of increasingly influential Sri Lankan textile technologists who had acquired their professional qualifications from the Textile Institute in Manchester and who started, from that very moment, to lobby the government to develop textile-related technical education in Sri Lanka.[567] On the basis of the recommendations and the lobbying efforts, the authorities then decided to introduce, with the financial support by UNDP, a National Diploma in Technology (NDT) course with a specialisation in textile technology at the Katubedde Campus in Moratuwa, along with similar courses on rubber technology and marine engineering.[568]

The three years' NDT course was meant for students who had done their O-level and it prepared them for positions in the industry at the technician level.[569] Its curriculum, developed with technical assistance of UNESCO consultants, was originally intended to entirely focus on textile technology but as, after the enrolment of the first batch in 1976, the expansion of the garment industry became apparent, it was adapted to also include aspects of garment technology, such as garment construction, quality control and machine maintenance.[570] The course was administered by the Sub-Department of Textile Technology and thus came under the Department of Mechanical Engineering. Most of the teaching staff that joined the sub-department in these initial years didn't have any profound industry experience but had a strong

---

565 Pararajasingham (2006), pp. 212f
566 Ibid., pp. 214f
567 Ibid., p. 216
568 Sub-Department of Textile Technology (1979), p. 2
569 Ibid., p. 3
570 Afzal (1981), p. 64, Sub-Department of Textile Technology (1979), pp. 11 & 20

academic background and generally had acquired their degrees in textile technology from English universities.[571] However, the head of the sub-department, L.D. Fernando, was comparatively well connected to actors outside academia and had formidable links to decision makers in the government, to entrepreneurs and to overseas business and academic organisations. Before coming to this position, Fernando had gained industry experience at Velona, the largest Sri Lankan hosiery factory at that time, and had studied textile technology up to Ph.D. level in England, where he had met with individuals that would become leading academics in the field both in Asia, Europe and the US.[572] Not surprisingly, he was – later on – to be Sri Lanka's most prominent academic in the field of textile and garment technology.

Despite these efforts, the social demand for the NDT course in textile technology remained low in the first years and didn't reach the target of 40 intakes per year.[573] Problems were also arising in terms of the liaison between the sub-department and the industry, notably with regard to the organisation of the in-plant training in firms which were not familiar with any such scheme.[574] Nevertheless, firms both in the private and the public sector readily absorbed the diploma holders. The increasing support of the industry was also documented by the fact that one of the leading manufactures of textiles in Sri Lanka, Kundanmals Ltd., started to annually award a scholarship to the best performing students.[575] But even though the curriculum of the NDT course included aspects of garment technology, virtually all students applied for positions in the textile mills, where it was common to hire technically educated textile technologists.[576]

The University of Moratuwa was not the only organisation that started to offer textile-related technical education programmes in the aftermath of the opening of the economy in 1977. Hoping to create avenues for educational and social mobility to the personnel in the textile industry, the Open University – an initiative by the post-1977 government that was implemented by the Ministry of Education – started a certificate course in textile technology in 1984 that had been developed by an Indian expert in textile technology under a project by UNDP and UNESCO.[577] Even though the pro-

---

571 University of Moratuwa (1986), p. 4
572 SL_Int_TrainOrg06_Representative4 (p. 2/l. 32-34)
573 The respective intakes in the first years were 17 in 1976, 19 in 1977 and 24 in 1978; see Afzal (1981, p. 61).
574 Afzal (1981), p. 61
575 University of Moratuwa (1984), p. 40
576 SL_Int_TrainOrg06_Representative4 (p. 3/l. 18-19)
577 Open University (1985), p. 25, Id. (1987), p. 20

gramme started to be developed after 1977, the certificate course – in contrast to the diploma course offered by the Moratuwa University – only focused on yarn manufacturing, weaving and chemical processing but not on garment technology.[578] Similar to other programmes at the Open University, the certificate course indeed met with some social demand, with 129 students enrolled in 1984; the sustainability of the course was, however, challenged by enormous student attrition as many students found it hard to combine work and studies. When the first exam at the certificate level was held in 1986, only 15 students passed, and all of them subsequently failed at the intermediate test at the diploma level.[579] Neither backed by powerful students associations nor by employers' associations or production-related ministries and only half heartedly supported by the political elite of the country, this course was thus a virtual non-starter, which, in these years, hardly had any impact on skill formation for the garment industry.

Whereas there was virtually no absorption of NDT diploma holders and graduates from the Open University by the nascent Sri Lankan garment industry, the government introduced, in the same years, practically oriented training programmes that directly catered to the garment industry and produced trainees who were either already employed in the industry or were entirely absorbed by the respective firms. At the time when the parliament decided to establish an FTZ north of Colombo, the National Apprenticeship Board (NAB) was asked in 1979 to open a training centre for sewing operators with funds from the GCEC, the authority administrating the FTZ under the Ministry of Industries. This centre was considered to be necessary by the GCEC to provide foreign investors with a sufficient number of trained operators, a quasi-complement to the infrastructure in the zone that became all the more important as many of the experienced sewing operators migrated to the Middle East where they earned higher salaries. The short courses were conducted by a small number of instructors that taught a syllabus from a Korean training centre; when, only a few years later, GCEC was of the view that the initial economic demand for trained operators had been met, the centre was closed down again, and the machines were sold to firms in the island.[580]

As the economic planners in the administration were of the view that the further expansion of the garment industry not only required skilled operators but also trained

---

578 Id. (1987), p. 20
579 Id. (1986), pp. 6f
580 Daily News (1979), SL_Int_TrainOrg03_Representative7 (p. 1/l. 17-29)

technicians and managers, the Ministry of Textile started to elaborate first plans for a Clothing Industry Training Centre (CITI) in 1982, an idea that was also supported by some of the leading local garment entrepreneurs at that time.[581] The first draft provided for a relatively small centre costing no more than Rp. 1 million.[582] But in the following two years, the authorities managed to convince the representatives of the World Bank to allocate Rp. 9 million of an existing credit line to the establishment of the training centre, to complementary technical assistance and to overseas training of the local staff;[583] subsequently, parliament passed the respective act in 1984 and thus laid the foundations of a training centre which was to "promote the professional ability of workers and executives by providing or implementing training facilities and programmes relating to the clothing industry".[584] The act prescribed that the operations of the CITI were to be overseen by a board of governors, out of which three were to represent government ministries and six others to represent employers' associations.[585] Furthermore, it stated that the institute, in contrast to other skill formation organisations in the public sector, was allowed to charge fees, as the courses were meant for trainees who were employed in the industry and thus in a position to afford these expenses. Soon thereafter, the building of the institute was constructed in Ratmalana, south of Colombo, on the same premises, where the Ministry of Textile set up, in the same years, a Textile Training and Services Centre (TTSC) with aid from UNDP and UNIDO.[586] At the same time, the Ministry of Textile employed R. Kuruppu as the director of the institute, an academic who had previously been engaged by L.D. Fernando to serve as a teacher for the NDT course and was himself to become another key person in the further development of formal skill formation for the garment industry in Sri Lanka.[587] He subsequently recruited a number of staff, most of which had either been awarded the NDT or had gained some experience in the industry at the supervisory or at the mid-management level.[588]

The first three years of the CITI (1984-1986) were marked by the presence of consultants from Manchester, the costs of which were borne by the World Bank; these

---

581 On the initial plans by the Ministry of Textile see SL_Int_TrainOrg03_Representative3 (p. 2/l. 32-34), SL_Int_TrainOrg03_Representative4 (p. 2/l. 20-22).
582 Ministry of Finance and Planning (1982), p. 137
583 Ministry of Policy Planning (1984), p. 197, SL_Int_TrainOrg03_Representative3 (p. 3/l. 13-15)
584 Parliament of the Democratic Socialist Republic of Sri Lanka (1984)
585 Ibid., p. 3
586 Ministry of Textile Industries (1987), p. 70
587 SL_Int_TrainOrg06_Representative4 (p. 7/l. 23-25)
588 SL_CV_TrainOrg03_Instructors (l. 30-35, 40-44, 45-48 & 51-57)

experts developed syllabi and trained the local staff but were mainly involved in providing training both at the vocational and at the technician level for machine operators, machine mechanics, sewing instructors, supervisors, production managers and other occupational grades.[589] Even though Kuruppu met with some initial difficulties to convince the representatives of the industry and only received lukewarm support by FTZMA or SLAEA, the existing associations of garment entrepreneurs at that time, the courses met with an increasing demand, as many entrepreneurs of both smaller and larger enterprises themselves joined the courses or sent their staff for training.[590] The share of firms profiting from the training at the CITI thus increased rapidly: by 1987, more than 40 percent of the companies that were registered with the Ministry of Textile had utilised the services of the CITI.[591]

8.2.2 Skill formation programmes during the quota regime

Whereas the staff of the Open University were struggling to fill its certificate and diploma courses in textile technology and were far from convincing the authorities of their plan to introduce a degree programme in this field, the textile engineers at the University of Moratuwa were more successful in this regard. Even though the social demand for the NDT course remained lower than the set target, the authorities of the university and of the UGC gave in to the pressure mainly emanating from the head of the institute, L.D. Fernando, who was not satisfied to run a diploma programme at a university whose social standing was based on its engineering degrees.[592] In a first step, the staff of the sub-department introduced a postgraduate diploma course in textile technology of one year duration for graduates of the engineering faculty.[593] With the subsequent backing by the representatives of the textile mills and donor agencies from Japan and the UK, the sub-department was also upgraded to an autonomous department in its own, well equipped building, where the new department would soon run a degree programme in textile technology.[594] The need to have

---

589 Ministry of Textile Industries (1987), p. 31

590 For accounts of entrepreneurs trained at the CITI in its early years see SL_Int_Association4_Representative1 (p. 2/l. 24-25), SL_Int_Firm22_Representative1 (p. 2/l. 18-20).

591 On the difficulties to convince the private sector and on the lacking support by the associations see SL_Int_TrainOrg01_Representative1 (p. 2 / 42-43), SL_Int_TrainOrg03_Representative3 (p. 6/l. 1-3); for information on incomes through fees see Ministry of Textile Industries (1987, p. 32).

592 SL_Int_TrainOrg06_Representative4 (p. 2/l. 29-51)

593 University of Moratuwa (1986), p. 4

594 On the backing by both industry representatives and donor agencies from Japan and the UK see SL_Int_TrainOrg06_Representative4 (p. 4/l. 17-18 & p. 3/l. 27-29); see also University of Moratuwa (1985, pp. 1-3), Id. (1986), Wijekoon (1990).

a degree programme for future managers and staff working at the higher technological level was also legitimised by references to the growth of the garment industry which had taken place since the end of the 1970s.[595] In order to raise productivity in this emerging industry and to improve the quality of its products, the curriculum of the programme included aspects of garment technology. Similar to the NDT and to the programmes at the CITI, the contents were elaborated by overseas consultants, who – this time – came from the University of Manchester and were personally known to Fernando and the faculty staff through studies and further development programmes of the Sri Lankans in the UK.[596]

The first batch of degree students was admitted to the textile department in 1986. Due to the closure of universities in the context of the second JVP-uprising in the following years, the first 14 degree students, however, only graduated in 1993.[597] But apart from these difficulties, the execution of the first degree course was marked by success. In contrast to the first years of the NDT course, the organisation of the in-plant training in the third year, organised through NAITA, was now facilitated by the contacts, which the staff had established over the course of the years. This also facilitated that the graduates of the textile department were soon employed in the garment industry, namely by MAS, one of the leading garment companies in Sri Lanka that had entered into a number of FDI-backed joint ventures.[598] The staff of the institute was satisfied to see their students being recruited by the garment manufacturers and started to make plans to introduce new degree courses catering to the industry, namely a programme on fashion design. But in these days, the interest of the entrepreneurs, most of which were still involved into CTM production, remained lukewarm, and thus Fernando, the director of the department, had to stall these plans.[599]

The tendency to upgrade the educational level of the programmes in skill formation organisations did, in these years, not only emerge at the textile department of the Moratuwa University but also at the CITI. In the second part of the 1980s, the short term training programmes were indeed continued with the help of overseas consultants funded by the World Bank but they were readjusted to cater more to the technician level.[600] In 1987, these courses were complemented by fee-levying pre-

595 University of Moratuwa (1986), pp. 1-3
596 Department of Textile and Clothing Technology (1993), University of Moratuwa (1986), p. 5
597 Perera (1993)
598 SL_Int_TrainOrg06_Representative4 (p. 4/l. 13)
599 Vittachi (1990), SL_Int_TrainOrg06_Representative4 (p. 4/l. 26-28)
600 Kuruppu (1991), Ministry of Policy Planning (1987), p. 132

employment courses for school leavers who were seeking employment in the garment industry. The first of these programmes was a full-time course of 24 weeks leading to the Advanced Certificate in Clothing Manufacture that integrated the contents of a number of aspects of garment technology;[601] two years later, the certificate course was supplemented by a much more comprehensive diploma course in Clothing Manufacturing of 72 weeks.[602]

Whereas the trainees of the short courses had been selected by their employers, the CITI now gained the opportunity of recruiting its own certificate and diploma students. Generally, the certificate students and the diploma students were expected to have passed their O-levels or their A-levels respectively and to be in funds to cover the fees of the course. The fees had a decisive impact: they functioned as a selection criterion which guaranteed the employers that employees recruited from the CITI came from the urban middle classes. Many of the graduates of the first batches both of the certificate and the diploma courses thus came from families who had been in industrial production for some time and were interested in their sons acquiring the technical skills to run a factory.[603] The social status of these pre-service programmes was also enhanced by employing the instructors of the TTSC. In contrast to most instructors of the CITI, these were generally lacking long-standing industry experience but had acquired their degrees in textile technology at overseas universities and, later on, at the University of Moratuwa.[604]

The introduction of certificate and diploma courses was a result of the institute's implicit strategy to transform the CITI from a training centre to an educational institute, a strategy which was neither supported by the World Bank nor the consultants, who were of the view that the CITI should focus on training for employees in the garment industry.[605] However, the courses met with tremendous social demand from school leavers who had not been admitted to university but hoped to make a career in the garment industry either in the island or overseas, for instance in Bangladesh or in the Middle East. Soon, the demand for these courses was higher than the demand for the short-term industry courses, the fees of which were generally borne by the em-

---

601 Ministry of Textile Industries (1988), p. 75

602 Island (1990a)

603 On the social backgrounds of some participants of the first batches see SL_Int_Association4_Representative2 (p. 2/l. 18-19).

604 For respective curricula vitae of instructors at the CITI and the TTSC see Clothing Industry Training Institute (1995).

605 SL_Int_TrainOrg01_Representative1 (p. 3/l. 18-21)

ployers.[606] But even though the development of the certificate and the diploma courses had not been driven by representatives of the private sector, the firms were ready to employ these students of the CITI, namely those of the diploma course, who gained some industry experience during their in-plant training of 24 weeks.[607] As it had become a common practice in the garment factories to employ school leavers as supervisors and management trainees instead of promoting experienced employees from lower occupational levels, the diploma course provided employers with the opportunity to hire new recruits who already had some theoretical understanding of the processes in the garment industry. As the output of the certificate and the diploma course was lower than the actual demand from the side of the employers, the CITI students began to gravitate towards the more prestigious firms, most of which were entirely or partially owned by foreign investors. In order to smooth their relations with the CITI and to have better prospects to employ its students, companies now started to donate material, mainly fabric, which further increased the linkages between the CITI and the industry and thus increased the perceived relevance of its training.[608] The smaller companies, neither in a position to offer handsome salaries nor to donate large quantities of fabric, were at a disadvantage vis-à-vis the CITI and thus could hardly ever employ and retain its graduates.[609]

Similar to the courses that had been conducted by the expatriate consultants in the early years of the CITI, the certificate and the diploma courses produced individuals who would, later on, play an important role in the industry and would personally engage in the development of the CITI.[610] The growing exchange between the industry and the CITI was also furthered by an alumni organisation, the CITI Certificate and Diploma Holders Association, that was founded by the first graduates of the diploma programme and that marked its presence in garment exhibitions and seminars and thus served its members to gain better access to the major industrialists.[611]

Some years later, after 1992, politicians, public servants and representatives of the industry began to voice that the training facilities for the garment industry were highly

---

606 Ibid. (p. 3/l. 12-13)
607 Clothing Industry Training Institute (1995)
608 Island (1990a)
609 SL_Int_Firm22_Representative1 (p. 2/l. 20-22)
610 In the first batch diploma batch, there were important later industry leaders; see SL_Int_Association3_Representative2 (p. 2/l. 42-43).
611 Leonard (1991), SL_Int_Association4_Representative2 (p. 4/l. 10-13 & 18-21)

inadequate.[612] These concerns reflected the challenges of Premadasa's 200 Garment Factories Programme that utilised – as discussed in section 7.3 – the global quota regime for various political purposes and would result in a high number of garment factories being established in the rural areas. Up to that moment, the CITI had been the only training institute for the industry, and the 200 Garment Factories Programme could have meant a tremendous extension of its operations. But this was not to be the case. Since 1988, donors had stopped to directly fund the institute and had reduced their support to financing experts from overseas, mainly from British universities who provided short-term training programmes and gave lectures on different technical aspects of garment production.[613] In 1991, one year prior to the implementation of the 200 Garment Factories Programme, CITI indeed managed to receive a grant by the National Development Bank so it was able to send a group of ten representatives of the garment industry, mainly pattern makers and a number of entrepreneurs, to the London School of Fashion in order to have them trained in garment design.[614] After 1992, however, the mainstay of the new training programmes would be developed outside the purview of the CITI.

In order to increase the number of skilled operators for the factories under the 200 Garment Factories Programme, the government motivated private entrepreneurs to establish training centres for sewing machine operators in rural areas. One such scheme was planned by Ceylinco, a major group of companies with its own garment factories that aimed at setting up 16 training centres island wide so that 15'000 operators could be trained annually, all of which were supposed to pay for the training themselves.[615] Whereas this plan never materialised, SLAEA, in cooperation with the National Youth Services Council (NYSCO), a public training organisation, managed to establish training centres for families in rural areas whose members were prepared to work in the garment industry[616]. These initiatives were obvious attempts by the entrepreneurs to impress the administration and, namely, the president, whose personal support was important to get privileged access to quotas and government funds.

Whereas these schemes were meant to increase the number of skilled operating personnel under the 200 Garment Factories Programme, the Department of Textiles

---

612 On the concern of public officials with regard to the lack of trained personnel in the industry see Gunatillaka (1992), Wijesekare (1991); on the concerns of employers see Daily News (1992c).
613 Island (1990b), Kuruppu (1991)
614 Island (1991), Wijesekare (1991), SL_Int_TrainOrg01_Representative1 (p. 4/l. 7-9)
615 Island (1992a)
616 Daily News (1992a)

of the University of Moratuwa was made the hub of the training programmes for the managing personnel. In fact, the department – with the direct backing of the Ministry of Textile Industry – became the organisation that profited most from the government's support for training programmes related to the expansion of the garment industry to the rural areas. In addition to the NDT course and the B.Sc. degree programme, whose first batch was yet to come out, the department started a number of short courses in 1991 in various fields of garment production, such as production management, quality control, pattern making and work study, all of which specifically catered to the needs of the factories established under the programme.[617] These courses had to be paid by the participants or the firms respectively but were also subsidised by the Ministry of Textile Industry, whose political head was personally present when some of the respective certificates were awarded.[618]

Still, the number of people trained under these short courses remained comparatively low: in the first part of 1992, 75 trainees were participating in the short courses at the University of Moratuwa, in the second part of the year the enrolment was at 150.[619] Whereas the graduates of the NDT course had, so far, been fully absorbed by the textile mills, it was through these short courses that the University of Moratuwa started to cater directly to the garment industry. In the course of these early years of the 1990s, L.D. Fernando also increased his personal linkages to the garment industry. After having been awarded the Golden Medal of the London-based Clothing and Footwear Institute, an organisation of garment technologists, he became the owner of a garment factory in the rural areas and thus a member of the National Apparel Exporters Association.[620] In the future years, the personal linkages between the Department of Textiles and the garment industry would further increase.

8.2.3 Skill formation programmes during and after the phase out of quota

8.2.3.1 Private skill formation organisations

One of the most important changes in the Sri Lankan out-of-firm skill formation regime of the garment industry in the years after 1995 was the emergence of a market for private training programmes, which, as elaborated in section 6.2.1, primarily reflected a general tendency in the Sri Lankan education and training regime. As we

617 University of Moratuwa (1992), Id. (1993)
618 Gunatillaka (1992)
619 Island (1992b)
620 University of Moratuwa (1997), p. 84

have seen in the previous section, private training organisations also emerged in the context of the 200 Garment Factories Programme. In fact, many of the first private training organisations catering to the garment industry were established by garment entrepreneurs participating in this programme, as they were of the view that their firms would require a high number of newly trained operators but also as they understood that the establishment of such centres was a means to impress not only on the respective local population but also the president of the country.[621] The practice of employers to open up training centres for operators was continued when quota were gradually being phased out after 1995.[622] The limited amount of statistical evidence available in this regard suggests that the total number of operators trained annually by private training organisations constantly increased to more than 5000 in 1998 but started to decline in the years after: in the year 2000, private training organisations only trained 200 operators; by 2005, this activity had ceased altogether.[623] As we will see later on, this development was mainly a consequence of the fact that public training organisations expanded their capacities to train operators.

Whereas private training organisations for operators had already developed in the years prior to 1995, there now, after 1995, emerged a market for out-of-firm skill formation programmes which catered to school leavers that aimed to be employed at the technician of the garment industry. As with the private training programmes for operators, statistical evidence on these programmes is limited; the available documents suggest, however, that these organisations were generally concentrated in the urban areas and that the output of the courses fluctuated tremendously: in the year 1998, courses for quality controllers and mechanics had the highest output of students, which was at 605 and 680 respectively. By 2001, the output of the courses for these two occupations would decrease to 350 and 150 respectively, whereas that of the courses for pattern makers and for garment production managers would grow – between 1998 and 2001 – from 235 and 391 to 632 and 967 respectively.[624] Again, this development was mainly a consequence of the expansion of the activities by

---

621 One such scheme was opened by Ceylinco; see Island (1992a).

622 Daily News (2000b), Island (1999b), Id. (1999c)

623 Own computations based on data in vocational education and training plans; see Tertiary and Vocational Education Commission (1999, pp. 64-69), Id. (2002, pp. 69-75), Id. (2007b, pp. 63-69).

624 Own computations based on data in vocational education and training plans; see Tertiary and Vocational Education Commission (1999, pp. 64-69), Id. (2002, pp. 69-75), Id. (2007b, pp. 63-69). For the locations of the private training organisations in 1992 and 2004 see Id. (1992), Id. (2004); for the statistics on private training organisations catering to the garment industry see also Id. (2008).

public training organisations, which increased the output of the courses for quality controllers and mechanics but opened only few centres for pattern makers and production managers. By 2004, the output of courses for the latter two occupations would also decrease to 193 and 374 respectively, which was, however, rather a result of the slackening growth of the garment industry than of the competition from public training agencies.

Whereas the output of private training programmes for school leavers strongly fluctuated, the output of short courses that catered to employees already working in the garment industry – and were thus paid either by the companies or by the employees themselves – saw a comparatively steady growth. As table 11 demonstrates, the output of courses for quality controllers, merchandisers, work-study officers and pattern makers grew between 1998 and 2004, even though it dropped, in the case of work study, between the years 2001 and 2004.

	Quality control	Merchandising	Work study	Pattern making
1998	40	20	17	16
2001	122	85	260	190
2004	199	106	147	212

Table 11: Output of private training programmes for employees working in the Sri Lankan garment industry[625]

The most prominent of all private training organisations was the Phoenix College of Clothing Technology – later renamed as Brandix College, which was established in 1996 and would, subsequently, start to enjoy a reputation as one of the leading garment training organisations in the South Asian region.[626] The college was set up as a joint venture by the Sri Lankan Phoenix Ventures Ltd. and the US-based Mast Industries, both of which had engaged in a number of garment production related joint-ventures for many years; the college was headed by R. Kuruppu, the former head of the CITI, who was personally hired by Ashroff Omar, the then CEO of Phoenix.[627] The first programmes of the institute were a more formal way of organising in-firm skill formation, as they catered to employees of Phoenix working at the craft and the

625 Own computations based on data in vocational education and training plans; see Tertiary and Vocational Education Commission (1999, pp. 64-69), Id. (2002, pp. 69-75), Id. (2007b, pp. 63-69).

626 When the World Bank, as we will see, started to back the establishment of the BIFT in Dhaka, the representatives of the employers' association were invited to exchange with the Phoenix College; see Daily News (2000a).

627 Daily News (2000a), Pararajasingham (2006), p. 222, SL_Int_TrainOrg01_Representative1 (p. 4/l. 26)

technician level, who, upon finalising the training programmes, would be awarded a respective certificate or diploma.[628] Only later on, the Phoenix College introduced programmes that were open to school leavers who would not necessarily seek employment at Phoenix, and thus became a eminent stakeholder in the Sri Lankan training market. The most important of these early programmes for school leavers was the course on fashion marketing and retailing, which was started, through Kuruppu's personal contacts, in cooperation with the Manchester Metropolitan University in 1999 and would tremendously add to the growing reputation of the institute.[629] This first link to an overseas technical university was complemented by an association with the Royal Melbourne Institute of Technology (RMIT), on the basis of which the college in Sri Lanka began to offer a diploma in clothing technology and management, a degree in textile technology and a degree in fashion and merchandising, the latter two being equivalent to RMIT's Bachelor of Applied Science.[630]

The initial motive behind forming and expanding the college was certainly to efficiently train the existing staff of Phoenix and, subsequently, of Brandix. In fact, many of the graduates of the college began to be recruited as technicians and mid-level managers by the various companies that were merged to become Brandix Group in 2002.[631] However, over the course of the years, the college started to also serve, because of its association with overseas universities, as an instrument for skills transfer from more industrialised countries to Phoenix/Brandix, a strategy, which was also backed by the foreign partners of the company at that time.[632] The subsequent opening of the programmes to school leavers that were not necessarily employed by Phoenix/Brandix but by rival firms was not considered a serious problem by the management for many years, as it also provided the institute with the opportunity to collect fees, to reduce the unit costs of training and to thus increase its profits. The institute, however, not only served as a means to train the skills of the company, to transfer new skills to the company from abroad and to make profits through students fees but also to obtain better access to end markets for instance in the UK. When Kuruppu and Omar visited the Manchester Metropolitan University, they did so with the pub-

---

628 Financial Times (2007)
629 De Silva (1999)
630 Financial Times (2007)
631 See, for instance, SL_CV_Firm02 (l. 3-6).
632 The president of US-based Mast Industries Inc., which was involved in a number of joint-ventures with Phoenix Ventures Ltd., was present in Sri Lanka, when the link programme with the RMIT was presented to the Sri Lankan media; see De Silva (1999).

licly stated aim “to establish links with European brand labels for the Sri Lankan clothing industry” through the personal contacts of the academics in Manchester.[633]

Whereas both the CITI and the Department of Textiles of the Moratuwa University had needed constant technical assistance to build up their programmes in their initial phase, the Phoenix/Brandix college developed its reputation with no donor support. It, however, indirectly profited from former aid, as not only Kuruppu but also a considerable number of the academic staff at the college had been employed or trained either by the CITI, the TTSC or by the University of Moratuwa. Being backed by one the largest garment ventures in the country further allowed the college to recruit staff with industry experience, who were also attracted by the comparatively high salaries, and to send students for in-firm training as part of their training programmes at the college and to thus increase their practical skills.[634] Even though the degrees offered by the college were not engineering degrees, they soon started to enjoy a high social status as they were being awarded by a foreign university and were, similar to most of the engineering degrees in Sri Lanka, proof of a privileged socio-economic background, as the tuition fees were high and thus generally excluded students from the lower-middle classes. The college thus became the most prominent of all private training organisations catering to the Sri Lankan garment industry and it remained the only one offering a degree programme. Whereas many of the other private training organisations, notably those focussing on the vocational level, had to be closed down because of decreasing social demand for their fee-levying programmes, the output of most programmes by the college, notably of its degree programmes, its certificate programmes and its short term training programmes, certainly experienced some fluctuations but basically increased over the course of the years.[635]

Even though the course for fashion marketing and retailing had been important to establish the college’s reputation as a training organisation that met international standards, this training programme was not expanded. From 2003 onwards, however, a similar programme, leading to a post-graduate diploma in apparel marketing started to be offered by the Sri Lankan branch of the UK-based Chartered Institute of Management Accountants (CIMA).[636] This was, however, no attempt by this foreign

---

633 De Silva (1999)

634 SL_Int_TrainOrg01_Representative1 (p. 4/l. 36-39)

635 Own computations based on data in vocational education and training plans; see Tertiary and Vocational Education Commission (1999, pp. 64-69), Id. (2002, pp. 69-75), Id. (2007b, pp. 63-69).

636 Sunday Observer (2003)

qualifications supplier to challenge the Brandix College. In fact, the introduction of the programme resulted from JAAF's Five Year Strategy that aimed at developing "250 apparel specific marketers".[637] The programme was thus in line with the strategy of some of the largest garment companies in the country, which were about to strengthen their backward and forward linkages and thus were in need of marketing experts. Accordingly, it had the personal backing of Ashroff Omar and Mahesh Amalean, the heads of Brandix and MAS, who were leading the process of formulating the Five Year Strategy. It was their firms, which would also absorb the majority of the graduates from the programme after the first batch graduated from CIMA in May 2004.[638]

These elaborations suggest that the emergence of a great number of private training providers certainly reflected a general tendency in the Sri Lankan education and training regime. At the same time, it is important to note that the actors' dynamics underlying the formation of these training programmes were quite diverse: on the one hand, training organisations were formed by garment entrepreneurs themselves, who – through these means – aimed at complementing in-firm training processes. This was typically the case with the training programmes for operators in the context of the 200 Garment Factories Programme but also with the early programmes offered by the Phoenix College and with the CIMA courses, which – in the name of JAAF – clearly catered to the interests of the larger companies that were striving for industrial upgrading. In the case of the latter two examples, the establishment of out-of-firm training programmes also allowed entrepreneurs to directly channel expertise from overseas training organisations into their own firms without having to come up for the respective expenses, as these were borne by the trainees. On the other hand, many private training organisations were set up by educational entrepreneurs who were involved in garment manufacturing but mainly ran training programmes for non-production-related commercial purposes and thus catered to the tremendous social demand for the respective credentials. As it was documented in section 8.1.3, after 1995, many of the more reputed garment factories in Sri Lanka increasingly expected newly recruited technicians, for instance quality controllers, pattern makers and product developers, not only to have been awarded a secondary school certificate but

637 Joint Apparel Association Forum (2002), p. 33

638 Observer (2004); the course was stopped when the Sri Lankan branch of CIMA was suspended; see Sunday Times (2008); on the absorption of trainees see SL_FNotes_Association1_Representative3_PersonalComm (p. 1).

also to have acquired some basic job-specific technical skills, and as the number of public training organisations at the technician level was limited, a growing number of school leavers started to be interested in undergoing training offered by private training organisations. As we will see in the next section, however, the growth of private training organisations did not lead to a halt in the further development of the public training organisations.

8.2.3.2 Public skill formation organisations

Undoubtedly, there emerged, after 1995, a market for industry-specific out-of-firm training programmes that generally channelled socio-economically more privileged school leavers to the technologically more advanced, often FDI-backed garment companies. This development did, however, not imply that the public training organisations were marginalised or would have started to be only expanded for socio-political reasons. As the following analysis will show, institutional change was more complex than this. There were, in fact, a number of training programmes that were introduced or adapted because the government aimed, through them, at increasing equitable access to vocationally oriented, industry-specific credentials and that were, at least with regard to the changes they underwent, hardly backed by representatives of the industry. But there were also a number of public training programmes which experienced tremendous institutional change that resulted from the pressure by the technologically more advanced, often FDI-backed companies whose in-firm skill formations arrangements were strongly interrelated with these public training organisations.

The organisation which continued to organise training mainly because the government hoped, through its programmes, to increase equitable access to vocationally-oriented, industry-specific credentials was the Open University, and it was its programmes which were particularly challenged by the development of a market for industry-specific training programmes. As we have seen in section 8.2.1, the staff in charge of the textile-related courses at the Open University had struggled, since the inception of the programmes in the mid-1980s, to retain the students. This problem could hardly be mitigated during the 1990s and in the years after 2000, even though the department introduced a number of courses that aimed at catering to the economic demand for industry-specific skills. In the beginning of the 1990s, a course leading to an elementary certificate in apparel production was introduced and the certificate and the diploma courses in textile technology were adapted to focus on se-

lected aspects of garment production, such as quality control and work study.[639] Being a distance education organisation, the department developed a large body of course material on garment production for the few students who enrolled in these courses, without, however, involving representatives of the industry in this process, which reflected the department's limited access to the representatives of the industry.[640] As in the previous decade, the main problem of the department remained the comparatively limited social demand for the courses and the high drop-out rates at all levels.[641]

In order to increase social demand for its programmes, the department had for long sought to introduce a textile-related degree programme, a plan which was approved by the authorities of the university only in 2000, when the department was allowed to offer not only one but two degree programmes. None of them, however, was a B.Sc. programme, which remained the informal preserve of the regular universities under the UGC. One of the degree courses was a Bachelor in Technology with a focus on textile engineering, the other one a Bachelor in Industrial Studies with a focus on apparel production and management.[642] The new programmes, however, did not increase social demand: in 2008, only nine students were enrolled in the degree programme.[643] Trying to find further ways to attract students, the department entered into discussions with TVEC, as it hoped to use its funds for making more publicity for the programmes; but the plan was not supported by the TVEC as it was only prepared to fund equipment to implement its national training plan for the garment industry.[644] Not lacking equipment but students, the department started to make plans to complement the bachelor programme by a master's programme in industrial studies and to also introduce, in its Bachelor in Industrial Studies, a specialisation on fashion design and product development by using some of the funds available from ADB's Distance Education and Modernization Project.[645]

The low social demand certainly reflected, as already in the 1980s, the difficulty to offer training programmes to those working in the industry. But the fact that these

---

639 Faculty of Engineering Technology (1994c), p. 13

640 Id. (1994a), Id. (1994b)

641 In the year 1999, for instance, 4 students were awarded with an elementary certificate, 2 students with a certificate and 35 students with a diploma; in other years, the figures were similarly low; see Open University (2000).

642 Faculty of Engineering Technology (2001)

643 SL_Int_TrainOrg04_Representative1 (p. 6/l. 43)

644 SL_FNotes_AdminUnit4_Letter (p. 1), SL_Int_TrainOrg04_Representative1 (p. 4/l. 41)

645 Department of Textile and Apparel Technology (2006)

degree programmes were also attended by A-level graduates without industrial experience suggests that the low social demand was also a result of the facts that the social status of these programmes was considerably lower than that of programmes offered by other universities and that their practical orientation was lower than that of most other industry-specific training programmes at the technician and at the professional level, both in the private and in the public sector. Comparatively low status and limited practical orientation of the courses, of course, also reduced the scope of the department to establish strong relations with the industry but also with the ministry in charge of the textile industry, which had always backed the textile-related programmes offered by the textile department of the University of Moratuwa, even though this organisation was under the auspices of the ministry in charge of higher education. Accordingly, the main strategy to sustain the textile-related training programmes at the Open University was to find further ways to increase student demand by enlarging the opportunities for educational mobility.

Issues related to the social demand for credentials were also central for the development of the textile-related NDT programme; as elaborated in section 8.2.1, the NDT programme at the University of Moratuwa had been the first programme at the technician level to cater to the textile and garment industry in Sri Lanka and, in fact, was an important means for many to start their career in the industry. When the UGC, upon pressure by L.D. Fernando, had allowed the university to introduce the programme leading to the B.Sc. in textile engineering in the latter part of the 1990s, the NDT graduates lost their exclusive position in the labour market. This caused, on the one hand, tremendous irritation among the NDT students, who feared being marginalised by the graduates of the degree programme. On the other hand, the B.Sc. students criticised the university administration to compromise the exclusiveness of their educational programme by awarding university credentials to diploma students. A number of years after the first B.Sc. graduates in textile engineering had left the university, these irritations led to clashes between the violent student groups which forced the authorities at the university to close the campus for several months.[646] In order to contain future violence, the university administration then decided to separate all NDT programmes from their respective technical departments and to concentrate them under a separate entity, the Institute of Technology of the University of

[646] Daily News (1999a), Island (1999a)

Moratuwa (ITUM) that was given the authority "to conduct primarily the National Diploma of Technology Course and similar technological courses".[647]

In the case of the NDT course on textile technology, moves were taken to split the teaching force so that one part only instructed at the diploma level and that the other part only taught at the degree level. Furthermore, the authorities planned to physically separate the ITUM and to establish a new campus, which would reduce access of students to the textile laboratory at the Moratuwa University, a plan, which, however, was not implemented during the next 10 years.[648] In any event, this development further undermined the reputation of the NDT course in textile technology and weakened the interest of the private sector representatives to get involved into the further elaboration of the programme. The reserved attitude of the entrepreneurs did, however, not reflect an absence of economic demand for the graduates of the institute. In fact, those having undergone the NDT training continued to be absorbed by some of the largest enterprises in the country, namely by the ones under MAS, Brandix and Hirdaramani, often as work-study officers, whose prospects for further promotion were intact.[649] But as there were a number of other training organisations in the country, both in the private and the public sector, which offered similar programmes and thus provided school leavers with basic industry-specific skills, the leading entrepreneurs, some of which would strongly contribute to the further development of the degree programme, were not eager to get involved into supporting the diploma awarding institute.

The development of the garment-related programmes at the Open University and of the NDT was, in the years after 1995, strongly characterised by the authorities trying to sustain those programmes that had been established in earlier days, which required – in the case of the programmes at the Open University – the introduction of new degree courses. In contrast, the development of courses at the vocational level was more actively promoted by the government, the main reason being the continuously high youth unemployment rates and the rapid development of private providers of vocational education and training programmes that were threatening equitable access to the respective credentials. When the government, upon initiative by Mahinda Rajapaksa, the later president of the country, founded the VTA as the national lead agency in vocational education and training in 1995 and put it under the auspices of

---

647 Daily News (1999c), Government of Sri Lanka (2000), p. 18A

648 Gamage (1999)

649 SL_CV_Firm02 (l. 15f & 19f), SL_Int_TrainOrg05_Representative1 (p. 1)

the Ministry of Labour, this was a clear statement to strengthen the role of the government in the provision of vocational education and training. This was particularly true for garment-oriented skill formation programmes. As we've seen in the previous section, private training centres for sewing machine operators had been established since the beginning of the 1990s, and they thus indeed challenged the few training centres under NAITA but also the 38 so-called High Speed Sewing Operator Training Centres under the Ministry of Labour.[650] Once the VTA was founded in 1995, the new organisation took over the sewing operator training centres of NAITA and of the Ministry of Labour and would subsequently increase the number of the respective training centres in the island.[651] Three years later, in the context of a project by UNDP and ILO, the officials at the VTA headquarters decided to commence, in addition, new courses for industrial sewing machine mechanics, garment production supervisors, quality controllers and pattern makers, i.e. for those occupations where private training organisations had by now become active in the urban areas, mainly in the districts of Colombo and Gampaha, where the concentration of garment factories was highest. The new VTA courses generally lasted between three and six months and enrolled school leavers that had passed the O-level examinations, and the courses did – similar to most other vocational education and training programmes – not open up avenues for any further educational mobility. Even though the representatives of the garment industry hardly influenced the initiative to introduce these courses, VTA indeed started to seek the advice from the representatives of the industry to develop the skill standards of these courses.[652]

From the very first instance, the development of the VTA was – as discussed in section 6.2.2 – a project by a number of prominent politicians that aimed at demonstrating their willingness to reduce youth unemployment by providing equitable access to credentials of vocational education programmes. The establishment of training centres and the introduction of new courses in various trades thus started to be oriented towards national targets of total enrolment figures in vocational education and training, a tendency which markedly increased over the course of the years,

650 British Council (1995a), p. 21

651 On the decreasing number of operator trainees in the NAITA training centres see National Apprentice and Industrial Training Authority (2001, pp. 12f).

652 On the involvement of industry representatives into the development process see Vocational Training Authority (1998a, p. 3), Id. (1998b, p. 3), Id. (1998c), p. 3, Id. (1998d, p. 3).

namely after Mahinda Rajapaska became the president of the country.[653] On the basis of these figures, VTA then developed the District Training Plans that detailed how the targets were to be achieved at the local level by the Rural Vocational Training Centres (RVTCs).[654] In contrast to what had been planned by the authorities at the national level, representatives of the industry were hardly involved into the implementation process at the local level, all the more as the Vocational Training Councils had stopped to exist briefly after they had been established in 1997.[655] In order to reach the district targets, the representatives of the district offices therefore had to interact with other influential individuals at the local level, namely politicians or monks, who were interested in having a training centre in their own electorate or on their own temple grounds respectively in order to demonstrate their commitment to social welfare in the area.[656]

The entrepreneurs' lack of interests in getting involved with the RVTCs was quite prominent when it came to the programmes for quality controllers, sewing machine mechanics and pattern makers, whose trainees were, at least from the perspective of entrepreneurs, less skilled than those of the CITI or of private training organisations in the urban areas but still hoped to be provided with a certificate that would help them to find employment as technicians in the garment industry. The entrepreneurs' interest in interaction with the RVTCs was, however, much higher, when it came to the training of operators, which could be integrated into production processes much faster than unskilled school leavers. Somewhat ironically, it was in the case of these courses that many district offices found it difficult to reach their district targets, as those school leavers who were prepared to work in the garment industry knew well that they would find employment as operators without having acquired any credential from an RVTC. Therefore, district offices had to find ways to increase the social demand for the courses, for instance by frequently shifting the locations of the pro-

653 In fact, in the development framework, which was based on Rajapaska's election manifesto, the Department of National Planning detailed plans for a further expansion of the VTA: it aimed at increasing the number of institutes from 357 in 2009 to 875 in 2016, and the number of students from 32'000 in 2009 to 75'000 in 2016; see Department of National Planning (2007, p. 151).

654 Vocational Training Authority (2006c), p. ii

655 On the virtual non-existence of vocational training councils see Richards (2002, p. 31); fieldwork at the district level corroborated the finding that these training councils were defunct; see SL_Int_TrainOrg02_Representative1 (p. 5/l. 25).

656 On the influence by monks and politicians respectively see SL_FNotes_TrainOrg20 (para. 3.3), SL_Int_TrainOrg02_Representative1 (p. 2/l. 45-46).

gramme for sewing machine operators, as the social demand for the course generally decreased rapidly once it was commenced.[657]

Nevertheless, most trainees participating in courses catering to the garment industry – close to 80 percent in the years 2005 to 2007 – attended the course for industrial sewing machine operation and a number of training organisations managed to quite well match social and economic demand, often upon agreements facilitated by local politicians who motivated entrepreneurs to donate fabric and thread to the training centres and to thus become entitled to employ the trainees after the course.[658] Some of these agreements even authorised entrepreneurs to decide about the intake of the training centres, so that the share of those trainees who rather joined the course to bridge the waiting period after their O-level and A-level examinations and would never have been prepared to join the garment industry as operators, could be minimised. Such an agreement was, for instance, entered by the RVTC in front of a major FTZ, where a number of firms within the zone recruited trainees, had them trained by the centre, employed them as skilled operators and were also given a strong say with regard to the skills to be transmitted during the course.[659]

As we have seen in section 6.2.2, the government decided to introduce, under an ADB-funded project, the NVQ framework in order to increase the avenues for trainees of vocational education and training programmes and to thus enhance the status of and the social demand for the respective programmes. It was certainly no coincidence that, in 2003, the course for industrial sewing machine operators, which notoriously suffered from a relatively low social status, was one of the first courses related to the garment industry that was chosen to be overhauled along the lines of the NVQ guidelines. Similar to the courses designed under the UNDP/ILO project in 1998, this course was developed by involving industry representatives, who now participated in the occupation-specific development group or in the National Industrial Training Advisory Committee (NITAC) for the garment industry.[660] But even though representatives of the private sector had been duly involved into the development process, imple-

---

657 See, for instance, the training programmes offered in the Galle District in the years 2003 to 2008: District Office Galle (2003), Id. (2004), Id. (2005), Id. (2006), Id. (2007), Id. (2008).

658 Own computations on the basis of data in Vocational Training Authority (2006b), Id. (2007), Id. (2008); on agreements see SL_ FNotes_TrainOrg18 (para. 3.9.1.1), SL_ FNotes_TrainOrg19 (para. 3.8.1.1); on the influence by local politicians on-the-job placement of trainees see SL_Int_TrainOrg02_Representative1 (p. 2/l. 7-8).

659 On the factories recruiting their trainees in rural areas and on the influence of factories on the contents of training see SL_ FNotes_TrainOrg19 (para. 5.3.3, 6.2 & 8.1.3).

660 National Institute of Technical Education (2000)

mentation difficulties were pervasive. These difficulties were related to the underlying rationale of the NVQ framework to enable school leavers without O-level certificates to proceed to the higher levels of the vocational and technical training system. Required to formulate standards that would lead the trainees to the level 4 of the NVQ framework, the development group decided that an operator at the level 4 would need to possess the skills to operate 12 different industrial sewing machines that were allocated to the levels 1 to 4. Based on the skill standard for the sewing machine operators, the National Institute of Technical Education of Sri Lanka (NITESL) developed the curriculum, which – in order to increase the status of the respective courses – ended up with a length of more than 300 pages, notably for courses at RVTCs whose length ranged between three and six months.[661] Obviously, the NVQ guidelines had led to an inflated and overtly academic curriculum.

At the level of the vocational training centres under the VTA, the implementation of the skill standard for sewing machine operators met with such difficulties, so that not a single trainee had been awarded a NVQ certificate in this trade by mid-2008.[662] The main reason for this failure was not only that the curricula and the skills standards for this training programme could not be delivered to the respective training centres but also that the 12 different kinds of machines necessary to train the students up to level 4 were not available at the RVTCs.[663] In fact, most training centres had not even one of the three kinds of machines that were needed to provide students with the training required for level 1. According to the NVQ guidelines, trainees would have been free to ask their employees to train them in the areas which could not be covered at the training centres. This, however, did not happen as employers were not prepared to invest in the credentials of their employees and because the employees themselves became disinterested in acquiring the certificate once they had entered the garment industry.[664] Despite these implementation difficulties, the RVTCs, constantly hoping to stimulate social demand for the courses, advertised that their ISM operator course was based on the new framework that would allow students to move up an alternative educational ladder outside the conventional education system.[665] This was also

---

661 Id. (2003)

662 SL_FNotes_AdminUnit4_Representative2_Interview (p. 1/l. 22-24)

663 See, for instance, SL_ FNotes_TrainOrg23 (para. 3.1.4); in fact, not even one of the vocational training centres visited for the purpose of this research had been provided with the curriculum, whose only copy could be traced at the NITESL.

664 SL_Int_Firm10_Representative3/4 (p. 1/l. 22-23)

665 See, for instance, SL_ FNotes_TrainOrg02 (para. 8.1.1).

true for the training centre in front of the FTZ that was mentioned above and that did not even implement the previous skill standard.

For the entrepreneurs, the difficulties related to the implementation of the NVQ framework were of no major concern, as the RVTCs' flexible use of national guidelines was in line with the entrepreneurs' interest in short and practically oriented courses for school leavers that were ready to join the garment industry. This, however, does not imply that entrepreneurs were not interested in supporting the NVQ framework; in fact, in the context of the USAID-funded Tsunami Reconstruction Program, the garment entrepreneurs, led by JAAF, started get more strongly involved into the development of a next series of skill standards that were designed along the lines of the NVQ guidelines. Aware of the fact that USAID was planning to fund the establishment of a number of RVTCs as a component of their project, some members of the executive board of JAAF approached the US-representatives in the country and lobbied them to dedicate some of the new training centres to the garment industry.[666] In order to demonstrate their genuine interest in skill formation, JAAF developed a comprehensive volume, "Competence and Beyond" that compiled various skill profiles of occupations in the garment industry with the help of the CITI and a number of managers at MAS Holding.[667]

After a whole series of negotiations, USAID decided to establish two of the new RVTCs as garment training centres and to fund the development of further skill standards for the industry. When the respective component started to be translated into practice, JAAF was one of the key partners of USAID and CH2MHill, the contractor hired by the US government for the implementation of the project. In contrast to 1998 and 2003, the industry representatives, virtually all of them managers at MAS, were therefore strongly involved into monitoring the construction process, into the decisions about the occupations to be trained at the new centres but also into the development of the respective skill standards and curricula.[668] But even though JAAF had, in "Competence and Beyond", detailed the skill profiles of a high number of occupations in the industry, the development process started from scratch and had to follow the relatively rigid specifications that had been developed under the ADB Skill Devel-

666 Joint Apparel Association Forum (2006), SL_Int_Association1_Representative1 (p. 8/l. 30f)
667 Joint Apparel Association Forum (2007)
668 SL_Int_Association1_Representative2 (p. 3/l. 3-6)

opment Project.[669] However, it was certainly not the main concern of the key industry representatives to influence the formulation of skill standards but to promote, through unhesitant collaboration, JAAF's image as a professionally run and cohesive employers' association that was placing high emphasis on skill formation – and to get access to the trainees that were to be trained in the RVTCs after their opening in late 2008.[670]

The development of the other two main organisations that provided garment-related skill formation programmes – the CITI and the textile department of the Moratuwa University – was similarly influenced by the lobbying of the garment entrepreneurs, most notably by JAAF. As the following elaborations will show, the authorities were indeed open to accommodate some of the concerns by private entrepreneurs but were, at the same time, also forced to conserve what have become the key institutional features of these two organisations. In fact, the entrepreneurs' leverage was stronger in the case of the CITI, which – since the World Bank project in the beginning of the 1980s – was aimed at directly catering to the interests of the industry, whose staff it was supposed to train, and was overseen by a board that also comprised a number of industry representatives.

In the years after 1995, the major debate with regard to the development of the CITI was whether it should rather focus on short-term training and consultancy programmes or on its certificate and diploma programmes. As we have noted in section 8.2.2, this debate had its roots in the latter part of the 1980s, when the institute started, despite its initial emphasis on short-term training of those employed in the garment industry, to run certificate and diploma programmes, which not only was the individual project of its academically inclined director, but also catered to an increasing social demand for the respective educational credentials. Even though these certificate and diploma programmes attracted an increasing number of students and even though its diploma students were automatically awarded the licentiateship of the Manchester-based Textile Institute, both donors and entrepreneurs were more supportive of the institute's focus on consultancies or specific short-term training programmes.[671] In the context of a major JICA project starting in 1996, for instance, CITI was thus equipped with a Quick Response Cell that was meant to facilitate CITI consulting garment factories on productivity development, an idea, which was later on

669 See, for instance, SL_FNotes_AdminUnit5_PartObs1; for the result of the development process see National Apprentice and Industrial Training Authority (2007a), Id. (2007b), Id. (2007c), Id. (2007d), Id. (2007e), Id. (2007f).

670 The Morning Leader (2009)

671 On CITI's accreditation by the Textile Institute see Western Express (1999).

taken up by the Delegation of the European Commission (EC) in its Productivity Development Programme.[672] Most of the subsequent consultancies catered to the few large garment companies in the country, which were interested in getting expert advice for shop-floor supervisors and middle-managers at a fairly attractive price. But the share of income from such consultancies remained small and never exceeded 7 percent.[673]

At the same time, the share of income from training at the CITI continuously increased and was at more than 96 percent in 2004, as high as never before. Over the course of the years, the importance of the income from part-time training at the CITI for employees in the garment industry, however, increased as well, particularly between 1999 and 2001.[674] The part-time courses allowed the CITI to collect considerably higher tuition fees than for the full-time courses, which generally catered to less well-off school leavers. The raising importance of training at the CITI was, on the one hand, clearly an effect of growing social demand for training, which resulted from the fact that both recruitment to positions at the technician level and above and promotions within companies now required pre-employment skill formation or continuous private investment into further training respectively. On the other hand, the growth of part-time courses was also driven by the demand from some large companies, which used the programmes not only to train their employees but also as an incentive to retain staff and to build up carrier paths within the occupational hierarchy.[675]

Despite high social and economic demand for the training programmes offered by the CITI, many private sector representatives criticised its activities for not being sufficiently responsive to the needs of the sector, even though they had been granted more rights on the board of the CITI from 1995 onwards;[676] the criticism reached a climax in 2001, after the coming into power of the new UNP government, which planned to tremendously accelerate the process of privatising government-owned

---

672 Clothing Industry Training Institute (2005b), p. 4, Dodankotuwa et al. (2004), pp. 12f

673 On external training provided to garment factories in 2006 see Clothing Industry Training Institute (2007, p. 114); on the ongoing pressure by large factories to increase the consultancy services see SL_Int_TrainOrg03_Representative5 (p. 2/l. 2-3); on SME's being comparatively disadvantaged with regard to being provided with consultancy services by CITI see Clothing Industry Training Institute (2001), Id. (2002), Id. (2003), Id. (2004), Id. (2005a); see also SL_Int_Firm07_Representative1 (p. 1/l. 19-20).

674 Clothing Industry Training Institute (2001), Id. (2002), Id. (2003), Id. (2004), Id. (2005a)

675 On nominations by major garment companies see SL_Int_TrainOrg03_Representative2 (p. 2/l. 22-23).

676 Kelegama and Epaarachchi (2002), p. 214

organisations.[677] Understanding that the government was open to their concerns, some of the most prominent entrepreneurs planned that the CITI should come under private management, ideally under SLAEA, the main employers' association at that time.[678] These plans were tremendously opposed by much of the established staff at the CITI, who feared that their position would be weakened by a stronger orientation on consultancy that would require them to improve their technical skills and to gain more industry experience. Furthermore, many representatives of smaller and medium enterprises anticipated that the owners of the larger enterprises would gain more control over the operations of the CITI and would channel its graduates to their firms and to get more exclusive access to its consultancy services. These concerns could neither be ignored by the government nor by the most influential owners assembled on the board of SLAEA, who tried, in those years, to unite the different employers' associations in the garment sector under a single umbrella organisation, JAAF, and thus needed the unambiguous support of all manufacturers. The plans to privatise CITI were thus put on hold and finally stalled, when Mahinda Rajapaksa became the prime minister of the country in 2004 and the drive to privatise state organisations was slowed down.[679]

The government's refusal to entrust the private sector with the management of CITI did, however, not entail a general reluctance to take up the employers' concerns when it came to the formulation of new projects at the CITI. In fact, the Productivity Improvement Programme, which had been specifically designed for the needs of the SME sector, was implemented from within the premises of the CITI and was thus a proof of its continuing emphasis on consultancy work.[680] As discussed in section 7.4, the government and the heads of JAAF, however, soon dissented on the implementation of the programme. At first, namely the selection of beneficiaries was left in the hands of JAAF; but after some months already, the umbrella organisation had to face severe criticism from the side of the SME representatives and the civil servants that the consultancies were rather catering to the needs of the large firms than to the SMEs. A second phase of the project, again funded by the government, was thus

677 SL_Int_TrainOrg03_Representative3 (p. 3/l. 40-41); on the general privatisation plans of the government see Price Waterhouse Coopers (2004, section 3.1).

678 On the debates concerning the privatisation of CITI's management see SL_Int_Firm09_Representative1 (p. 7/l. 29-31), SL_Int_TrainOrg03_Representative3 (p. 6/l. 35-36), SL_Int_TrainOrg03_Representative6 (p. 1/l. 39).

679 SL_Int_TrainOrg03_Representative6 (p. 2/l. 2-4)

680 Bandaranaike (2004), Joint Apparel Association Forum (2003)

implemented by the Sri Lanka Chamber of Garment Exporters, the association of the SMEs, a development, which not only symbolised the low esteem of JAAF among SMEs but also the increasingly critical attitude by the government representatives towards the umbrella organisation.[681] In the context of this new project, the role of the CITI was further strengthened, as the main parts of the consultancies were not implemented by overseas experts but by staff of the CITI who were considered to be competent enough by the now's beneficiaries of the project, the owners of SMEs. This course of events, however, in no way meant that the government now mainly considered the CITI as a consultancy outfit and that it was eager to re-direct the services of the institute to the SMEs. In fact, both the government and JAAF were eager to strengthen the pre-employment training programmes of the institute, so that also the larger companies would profit.

In fact, in 2005, representatives of JAAF and of the Sri Lankan government paid a visit to Washington DC in order to further negotiate on trade concessions and on a possible free trade agreement between the two countries. These negotiations, which had partly been facilitated by L.D. Fernando of the Moratuwa University, did not result in a free trade agreement but paved the way for duty-free import of cotton from the US to Sri Lanka; this deal was attractive for some large Sri Lankan manufacturers like Brandix and MAS, which were improving their backward linkages and were thus interested in lowering the costs of raw materials.[682] In the context of these negotiations, JAAF, CITI and TTSC also entered into an agreement with one of the leading universities in the field of textile research, the North Carolina State University (NCSU), which was to serve as a basis for the collaboration between the three training organisations.[683] Two years after the agreement had been signed, a more specified proposal for a project worth of close to US $ 0.5 million was outlined by one of Fernando's colleagues at the NCSU. This proposal detailed plans for technical assistance by NCSU's College of Textiles to the two training centres in Sri Lanka, through which curricula would be upgraded in such a way that the respective qualifications would meet American standards and could thus be awarded in association with the college in the US.[684] Thus, from 2007 onwards, Ph.D. students from the US-based university visited the CITI and the TTSC to give lectures and to advise on curricula,

681 Sunday Observer (2007); on the sceptical attitude of leading public servants see SL_Int_AdminUnit1_Representative1 (p. 5/l. 1-5).
682 Jayewardene (2004), pp. 77f
683 North Carolina State University et al. (2004)
684 Daily News (2006), Oxenham (2006)

whereas training officers from the two organisations underwent short-term training programmes at the NCSU.

The link to the NCSU was certainly an important step in the further development of the CITI, which was hopeful to award a diploma or even a degree that was accredited by an overseas university and to thus be in a position to compete on a level playing field with the Brandix College, which offered a degree programme in cooperation with the Australian RMIT. Furthermore, this link was interesting for entrepreneurs as a means to document to buyers that Sri Lankan companies were investing in human resources development by linking up with renowned academic organisations in the West. But the fact that skill training programmes at the NCSU rather focused on textile technology than on garment production and that this was not a major concern for those entrepreneurs who had initiated the link with the NCSU suggests that the training agreement had to also serve non-training related purposes and was even a vehicle to smooth trade negotiations with the US.[685] In fact, Sri Lankan entrepreneurs had contacted representatives of the NCSU because they were interested in improving the economic ties with the US, and it was only shortly thereafter that not only the link programme with the NCSU but also the cotton deal, from which the two largest Sri Lankan garment companies profited most, was signed.[686]

Preceding elaborations have shown that the leverage of the garment entrepreneurs, notably of the owners of the largest two garment companies, over the development of the out-of-firm skill formation regime was constantly growing; at the same time, they have also demonstrated that the authorities were not prepared to entirely give in to the pressure by the most powerful representatives of the industry. These findings can be documented in more detail by analysing the development of the textile department of the University of Moratuwa from the mid-1990s onwards. At this department, which was now called the Department of Textile and Clothing Technology of the University of Moratuwa, the social demand for the degree programme began to increase from the mid-1990s and started to far exceed the number of available seats, after it had had tremendous difficulties in attracting a high number of students in the previous years.[687] Correspondingly, the textile department started to enjoy a high reputation among the representatives of the private sector. Many of the largest and most re-

685 For accounts on the training programme at the NCSU see SL_Int_TrainOrg03_Representative5 (p. 2/l. 7-11).

686 SL_Int_TrainOrg06_Representative4 (p. 8/l. 15-18)

687 On the difficulties of the early years see Perera (1993); on the continuous growth of enrolments see Department of Textile and Clothing Technology (2008b).

puted garment companies, such as MAS, Brandix, Hirdaramani and many of the large FDI-backed companies, absorbed the graduates of the department into their cadre and subsequently promoted many of them to some of their most senior positions.[688]

One of the reasons for the department being so successful was certainly the role played by L.D. Fernando, who had linked the department with a high number of renowned universities both in Europe and in the US and had been in a position to lobby the public authorities and donor organisations alike.[689] Many of his contacts were not only useful to the department but also to the garment entrepreneurs who were, for instance, interested in him supporting them to better access key actors in the US textile sector.[690] Through these contacts, both representatives of the industry and of the textile department became strongly interdependent of each other. But Fernando's considerable national and international network was not the only reason for the high social standing of the department. In fact, one of the even more important reasons for the success of this organisation was that it mainly enrolled students coming from the higher-middle classes of the country that were in demand in the upper most echelons of the garment industry and who were themselves prepared, partly for the lack of other, comparably global and high-paying industries, to work in the garment industry. This elitist orientation was, however, not a direct legacy of the traditionally highly selective technical education programmes but the result of concerted lobbying efforts by representatives of the department.

Certainly, the NDT programme, which was the predecessor of the department's degree programme, had a comparatively high entry barrier compared to other diploma courses in Sri Lanka, as all its students needed to have passes in science and mathematics at their A-level examination.[691] This requirement drastically reduced the number of potential students, because, when the NDT course was started, only a small minority of schools were offering a science and mathematics stream at the higher secondary level. When the B.Sc. programme for textile technologists was introduced in the 1980s, this entry requirement was retained and as social demand for entry into a degree programme increased, the intake became even more elitist. Still,

---

688 For curricula vitae of B.Sc. graduates from the Moratuwa University see, for instance, SL_CV_Firm26 (l. 24-37).

689 On the professor's contacts to the public authorities see SL_Int_AdminUnit1_Representative1 (p. 3/l. 8); on the respective contacts to the industry see Perera (2002), Sunday Times (2007).

690 SL_Int_TrainOrg06_Representative4 (p. 8/l. 21-25)

691 University of Moratuwa (1988), p. 3

however, the staff of the textile department was of the view that the social composition of incoming students was not ideal. In fact, in the first few years of the B.Sc. course in textile technology, the programme belonged to the less prestigious degree programmes of the engineering faculty, and was united, together with the B.Sc. programmes in chemical engineering, materials engineering and mining and minerals engineering in the less elitist of two groups of engineering programmes within the engineering faculty.[692]

This way of grouping engineering programmes served to channel the students with the best A-level results to the more prestigious mechanical, electrical and civil engineering programmes, which all belonged to the first group, and those with the lower results to the second group; during the first year of the degree programme, the students joined their classes together with all other students of the same group, and then had to undergo the first year examination, according to the results of which the students were either allowed to study an engineering programme of their choice within the respective group or had to study in a programme that had open seats available. This practice entailed that the textile department could never enrol any of the students with the best A-level results and often had to cater to students who were not interested in this field of study. Fernando and his team strongly resented this practice and therefore lobbied the authorities of the UGC and of the university to allow direct entry into textile engineering from the year 2000 onwards.[693] This would facilitate the department enroling some of the students with the best A-level results and thus to increase its overall social status among the different degree-awarding departments at Sri Lankan universities.

The department thus developed in a way which ideally matched with the social organisation of the most reputed garment companies in the country that has been described in section 8.2.3. The absorption of many students from the department by the prestigious companies in the country was therefore not only rooted in the fact that the students were provided with academic knowledge, basic technical skills and some production-related experience or that they had been screened by the demanding course of studies at the department which was perceived to be a proof of them being prepared to work hard and under constant pressure; beyond that, it was also a result of the fact that many degree students hailed from urban upper and upper-middle

692 Ibid., pp. 9f

693 Id. (2000), pp. 58f; on the respective lobbying process see SL_Int_TrainOrg06_Representative4 (p. 6/l. 9-11).

class families, had attended the most prestigious schools at the higher secondary level and thus had a social background that was in line with that of the leading entrepreneurs and senior managers in the garment industry. The B.Sc. programme in textile engineering at the Moratuwa University obviously had become, over the course of the years, an integral part of the social reproduction mechanism of the elite of the Sri Lankan garment industry.

Even though this elitist bias of the department became strongly entrenched into its institutional framework, it also started to partly conflict with the department's aim to technically cater to the skill needs of the textile and garment industry that was underlying the public legitimacy of the department's academic programme. Such conflicts emerged after the introduction of the fashion design programme in 2003 and in the context of the attempts to establish a new textile faculty. It is worthwhile looking at these conflicts in more detail. The introduction of a degree in fashion design had been a priority of the department for many years. As mentioned in section 8.2.2, Fernando had been lobbying both the government and donor agencies in this regard since the latter part of the 1980s but neither these organisations nor the industry representatives were interested in the proposal.[694] Towards the end of the 1990s, Fernando, who had already interacted with a number of design schools both in the US and the UK in this regard, submitted a proposal for funding to the EC and, when it was rejected, re-submitted it to ADB with the backing of a senior minister.[695] This time, lobbying was successful and ADB agreed in principle to fund a consultant who would then develop such a degree programme; but as the development bank required the department to adhere to their tender rules, the negotiations failed again.[696] Despite these difficulties, the department decided to enrol students for a Bachelor of Design programme and to hire a consultant from the London School of Fashion; as, in the meantime, the most influential garment entrepreneurs agreed that a fashion degree programme would be in their interest and had started to lobby the government in this regard, the government finally consented to fund the consultant through the textile ministry.[697]

---

694 SL_Int_TrainOrg06_Representative2 (p. 1/l. 20-24); for newspaper articles on the need to increase the skills in the field of textile and fashion design see Vittachi (1990), Wijesekare (1991).

695 SL_Int_TrainOrg06_Representative2 (p. 1/l. 39-41), SL_Int_TrainOrg06_Representative4 (p. 4/l. 33-39); on the support by politicians see SL_Int_TrainOrg06_Representative4 (p. 4/l. 45-48).

696 SL_Int_TrainOrg06_Representative4 (p. 4/l. 48-51), SL_Int_TrainOrg06_Representative5 (p. 2/l. 22-25)

697 SL_Int_TrainOrg06_Representative1 (p. 1/l. 35-36), SL_Int_TrainOrg06_Representative4 (p. 5/l. 11-16)

From the outset, representatives of the largest garment ventures were strongly involved into overseeing the implementation of the course. The textile ministry, interested in funding a programme that catered to the needs of the industry, established a steering committee that comprised people from the ministry, the industry – mainly represented by a senior manager at MAS – and the university. Furthermore, the academic head of the new department started to directly report to JAAF's human resources committee.[698] Given the fact that the course programme was written by a consultant from the London School of Fashion and was strongly oriented towards the degree programmes that were taught at the school in England, the entrepreneurs, however, neither got involved into the process of designing the curriculum nor in the respective implementation.[699] There was little doubt that the programme was a success. The programme soon started to be considered as producing students whose skills were in high demand in the industry, a reputation which was corroborated by the Graduation Fashion Shows that were held on an annual basis at one of the leading hotels in Colombo; many students of the first batches graduating from the department from 2006 were employed in the product development departments of some of the large garment companies, notably of MAS.[700] Despite these achievements, industry representatives began to criticise some critical aspects of the fashion design programme. One point of criticism, brought forward among others by the head of MAS, concerned the fact that the course was a general introduction to fashion design rather than a preparation for specific tasks in the industry; this point was taken up by the academic staff at the department and led to the introduction of projects in highly specialised areas as part of the degree programme.[701] A further point of criticism concerned the student intake of the programme, and was thus related to the elitist orientation of the department that has been discussed in the paragraphs above.

In contrast to the textile-related B.Sc. programme, the Bachelor of Design programme was no engineering degree. This entailed that students with A-level certificates in arts, who were not entitled to apply for the B.Sc. degree, were eligible to enrol in the fashion design programme. This also opened the doors of the department to students from the less prestigious schools in rural areas that offered at least an

698 SL_Int_TrainOrg06_Representative1 (p. 2/l. 32-35)
699 SL_Int_TrainOrg06_Representative5 (p. 3/l. 20-22 & p. 4/l. 32); for the respective curriculum see Department of Textile and Clothing Technology (2008a).
700 SL_CV_Firm14 (l. 10, 13 & 16)
701 SL_Int_TrainOrg06_Representative1 (p. 2/l. 46-47)

arts stream at the higher secondary level.[702] In order to screen those students that not only met the academic requirements but also had a creative talent, the department introduced an aptitude test. Despite this selection mechanism, employers soon realised that the graduates of the fashion design course were often lacking the privileged social backgrounds of the B.Sc. students. Arguing from a technical point of view, these employers were of the view that the low socio-economic status of many of the students enrolled in the fashion design programme was related to them being unfamiliar with critical aspects of fashion. Students from less privileged families hailing from rural areas, one employer argued, were less exposed to an urban environment and to occidental culture and thus less qualified to design fashion products that had to meet the sophisticated taste of customers in Western markets.[703] For these reasons, many garment companies continued to employ product developers who had undergone training at a foreign degree-awarding organisation, such as the Indian National Institute of Fashion Technology (NIFT), or at a private skill formation organisation in Sri Lanka – and who had the preferred social background.[704]

The introduction of the fashion design programme had undoubtedly increased the publicity of the department but resulted, among both academics and students, in the fear that the social reputation of the programmes offered by the department could suffer from further reforms that would lead to a broader student intake. One such potential reform was the plan to establish a separate faculty for textile and garment-related degree programmes. This plan had been brought forward by some of the more influential industry representatives, who thought that such a faculty would offer a number of degrees in different textile and garment-related areas that would prepare the students more specifically for the various occupational fields in the industry.[705] Even though this proposal was backed by the industry and also had the support by the UGC, this plan did not materialise because of the opposition from both students and the academic staff of the department.[706] The main concern of these parties was that the institutional framework of the University of Moratuwa did not allow such a new faculty to offer the prestigious engineering degrees, as this was the privilege of

---

[702] University Grants Commission (2008), p. 37

[703] SL_Int_Association3_Representative2 (p. 8/l. 32-37)

[704] See, for instance, SL_Int_Association3_Representative2 (p. 8/l. 13-15).

[705] On the support by the industry see SL_Int_TrainOrg06_Representative3 (p. 2/l. 27-28).

[706] On the support of the chairman of the UGC see SL_Int_TrainOrg06_Representative4 (p. 10/l. 20-22); on the opposition from within the department see SL_Int_TrainOrg06_Representative3 (p. 2/l. 32 & 48), SL_Int_TrainOrg06_Representative4 (p. 10/l. 48).

the departments under the engineering faculty, including the one for textile engineers. Furthermore, it was feared that the faculty would enrol an increasing number of school leavers who hadn't gotten any credits in science or mathematics at their A-level examination, which would have further curtailed the social standing of the department.

These elaborations suggest that, in contrast to most other skill formation programmes catering to the garment industry, the B.Sc. programme in textile technology was virtually unchallenged by any private training organisation, not only because it provided a very broad technical education but also as it stack to its elitist intake that generally favoured socio-economically privileged school leavers from the best secondary schools of the country. Accordingly, only those demands by the entrepreneurs were accepted by the authorities and the faculty which did not undermine the department's elitist selection criteria and its high social standing. On the one hand, the department introduced a less elitist fashion design course, because it was in line with the department's need to align with the needs of the industry and – at the same time – did not undermine the elitist orientation of the B.Sc. programme. On the other hand, JAAF's proposal to establish a separate faculty was declined, as the new faculty would no more have been allowed to award the highly reputed engineering degree. The leverage even of the most influential entrepreneurs was thus contained by the well connected actors that supported the institutional framework of the university department.

8.2.3.3 The coordination of the out-of-firm skill formation regime

In the years prior to 1995, out-of-firm skill formation programmes for the garment industry were primarily provided by a small number of state agencies, which were, however, not formally coordinated and did not refer to any overarching training policy. Some programmes, those by the CITI for instance, were initiated because the government wanted to explicitly provide skills to the growing garment industry; others – such as those by the Open University – were rather aimed at providing equitable access to credentials; furthermore, skill formation organisations themselves had ample scope to change their programmes, which generally resulted in these programmes becoming more academic and more responsive to the social demand for increasingly higher credentials. In fact, the diploma and the degree courses respectively that were offered by the CITI and by the University of Moratuwa were initiated by these organisations even though this had never been a priority of the respective ministries. The

Sri Lankan out-of-firm skill formation regime of the garment industry was thus mainly driven by different state agencies and developed in an uncoordinated and fractionalised way.

In the years after 1995, the fractionalisation of the out-of-firm skill formation regime was partly reinforced, one of the most obvious reasons being the further development of private training programmes. But also the formation of VTA, which soon proved to be the largest provider of vocational education and training programmes in the country, made it more difficult for any central authority to coordinate the different out-of-firm skill formation programmes that catered to the Sri Lankan garment industry. Furthermore, agencies offering skill formation programmes at the vocational level all had their separate industry advisory committees, most of which concentrated on the formulation of skill standards and generally experienced a tremendous turnover of industry representatives.[707] As a matter of fact, the institutional mechanisms which the government established to contribute to a better coordination of skill formation programmes in the years after 1995, hardly had – as pointed out in section 6.2.2 – any effect in this regard. On the one hand, there was the National Human Resources Development Council (NHRDC), which had been given the mandate to overview the entire range of education and training programmes in Sri Lanka but never functioned due to the absence of the council members.[708] On the other hand, TVEC started to publish Vocational Education and Training Plans in intervals of three to five years. Training plans for the garment industry were published in 1999, 2002 and 2007, each time based on drafts by a team of experts from the TTSC.[709] These plans consisted of an overview of the development of the industry and of the respective challenges, of a survey focussing on training and recruitment practices in the private sector, of an

---

707 In 1998, NAITA formed an industrial training advisory committee for the textile and garment trainee occupations, which published a training standard for tailors in November 1998; see National Apprentice and Industrial Training Authority (1998); VTA, which formulated skill standards for the garment industry in the same year under a UNDP/ILO project, formed a similar committee, which, however, did not include the same industry representatives; see Vocational Training Authority (1998a), Id. (1998b), Id. (1998c), Id. (1998d); a new advisory committee was formed to formulate skill standards for the sewing machine operators and work-study officers under the ADB Skills Development Project in 2003; see National Apprentice and Industrial Training Authority (2005a), Id. (2005b); few years later, when new garment related skill standards were formulated under the USAID-sponsored Tsunami Reconstruction Project, again a new committee was formed, this time, however, in strong collaboration with JAAF; see Id. (2007a), Id. (2007b), Id. (2007c), Id. (2007e).

708 Parliament of the Democratic Socialist Republic of Sri Lanka (1997), SL_Int_AdminUnit3_Representative1 (p. 1/l. 17-18), SL_Int_AdminUnit3_Representative2 (p. 1/18-22).

709 Tertiary and Vocational Education Commission (1999), Id. (2002), Id (2007b)

analysis of the supply of training by major public and private training providers and of a training plan, where targets for these providers were spelled out.

But TVEC had only very limited means to implement its recommendations, the main problem being that it was in no position to ask other agencies – both under the ministry in charge of vocational training and under the ministries in charge of education and the textile industry – to adhere to TVEC's training targets. VTA's national training targets and the respective District Training Plans, for instance, never took into account the training plans by TVEC. The only instruments available to TVEC to implement the plans were the grants to public and private training organisations, which should help to enable training centres to upgrade their infrastructure.[710] But as TVEC's funds were limited and as the disbursement of money was not – as the example of the Open University in section 8.2.3.1 has shown – what could solve the main problem of some training providers, the implementation of the targets as spelled out in the training plans was never achieved.[711]

The lack of government coordination and the fact that some of the key representatives of the industry were of the view that some public training organisations did not meet their expectations led these actors to elaborate their respective expectations in the Five Year Strategy paper that spelled out – under the guidance of Mahesh Amalean and Ashroff Omar – how the Sri Lankan garment industry would become competitive enough to face the post-MFA challenges.[712] As demonstrated in section 7.4, human resources development was considered to be an important aspect of the strategy; it was thus no coincidence that the respective committee was entrusted to Mahesh Amalean, who planned to transform Sri Lanka's garment industry into a "knowledge based industry to stay on top of competition and keep pace with global changes".[713] This committee now became the focal point of JAAF's activities in the domain of skill formation and it, indeed, managed to coordinate the different lobbying efforts in this regard, many of which had already been mentioned in the sections 8.2.3.1 and 8.2.3.2. In fact, the proposals to motivate CIMA to introduce a post-graduate diploma in apparel marketing, the lobbying efforts to make USAID sponsor

---

710 TVEC spent Rp. 3'112'849 in 1999/2000 and Rp. 314'359 in 2006 on the infrastructure in private training centres; see Tertiary and Vocational Education Commission (2002, p. 14), Id. (2007a, pp. 147-148).

711 As demonstrated in section 6.2.2, TVEC, in fact, did not even engage in monitoring the progress of plan implementation; see also SL_Int_AdminUnit4_Representative1 (p. 2/l. 29-31).

712 Joint Apparel Association Forum (2002)

713 Samaraweera (2007)

garment training centres, the plans to link the CITI with the NSCU and the entrepreneurs' close interaction with the University of Moratuwa were all coordinated by this committee, i.e. mainly by its head and a senior manager at MAS. Furthermore, the committee ensured that the issue of skill formation would be brought to the attention of the government whenever JAAF's executive committee lobbied the government to increase its support to the apparel industry. These efforts also led the Sri Lankan government to allocate – in the budget proposal for the year 2006 – Rs. 250 million (roughly Euro 2 million) for the establishment of a College of Textiles and Clothing that was to be located in Thulhiriya, far out from Colombo, on the premises of a former textile mill, which had been closed down under the previous government and had been promised in Rajapaksa's election manifesto to be re-vitalised at any cost. The government, thereby, imagined this college to become a regional training provider that would attract persons from the entire SAARC region "and would link up with relevant international institutes to offer globally recognized degrees and diplomas".[714]

Even though many garment employers were glad to see their lobbying efforts bearing fruits, the main representatives of JAAF were not delighted about the government setting up another training organisation that would be under the exclusive control of politicians and public servants and be located far from most production sites. They thus made plans to use the allocated government funds for upgrading the existing training organisations, mainly CITI, TTSC and the textile department of the Moratuwa University, and for the technical assistance by the experts of the NCSU.[715] The thinking of a number of key representatives of JAAF, however, went far beyond these recommendations. In fact, JAAF's HRD committee started to think about using the government funds to better coordinate and monitor the skill formation programmes by the existing organisations catering to the garment industry. Eager not to have public training organisations entirely controlled by government agencies, the entrepreneurs envisioned to establish a "Council of Apparel and Textile" (COAT) in the form of a private company that was to be given the authority by the government to spend the allocated funds for training purposes.[716] In this context, JAAF also invited two Fulbright consultants specialised in public administration, which were virtually taken care of by MAS and were briefing the entrepreneurs on similar institutional frameworks in

---

714 Ministry of Finance and Planning (2005), § 18, SL_Int_AdminUnit1_Representative1 (p. 3/l. 19)
715 Financial Times (2006)
716 SL_Int_AdminUnit2_Representative1 (p. 3/l. 35-40)

other countries;[717] furthermore, JAAF's HRD committee organised several meetings to build a coalition of entrepreneurs that would back this proposal and lobby the government in this regard.[718] But the government would not give in to this pressure, as it felt that it was unwise to have public funds overseen by the most influential representatives of the garment industry, which would not only have entailed conflicts between COAT and the training agencies but also between the entrepreneurs themselves, which had very different views on how to further develop the industry.[719] Therefore, the plans for COAT were finally stalled.

This, however, didn't imply that the government would decline to coordinate their efforts in the domain of skill formation with the most influential garment entrepreneurs. As elaborated in section 7.4, since the coming into power of the new SLFP government in 2005, the Apparel Cluster Committee of the National Council of Economic Development (NECD), co-chaired by the head of JAAF and the Secretary of the Ministry of Industry and Investment Promotion, had become the most important platform where high ranking public servants discussed potential reforms with the key representatives of JAAF, and it was here that most of the key concerns by JAAF's HRD committee were being discussed and sorted out.[720] In this context, the debate on COAT was finally solved in a creative way: MAS, which had bought the textile mills in Thulhiriya already two years earlier, was allowed to establish its own private training centre, the MAS Institute of Management and Technology (MIMT), on the premises of the old mill. This was, of course, a good solution for MAS, which was thus allowed to open, in 2008, the second private training organisation owned by one of the largest garment entrepreneurs in Sri Lanka and to compete with Brandix College.[721] But the solution was also attractive for the president himself, who was eager to see more employment opportunities being created in a location which he had promised to revive.

---

717 Bruce and Bruce (2007)
718 SL_FNotes_Association1_PartObs1
719 SL_Int_AdminUnit1_Representative1 (p. 3/l. 30-33)
720 Jayasundra (2005), p. 11, National Council for Economic Development (2008)
721 Colombo Page News Desk (2008), Wijayasiri and Dissanayake (2008)

Part D Bangladesh

9 The development of the political and administrative regime in Bangladesh

9.1 The political and administrative regime before the formation of Bangladesh

The societal life in the eastern part of Bengal has, for many centuries, been characterised by the tensions between the two main communities of today's Bangladesh, the Muslim and the Hindu community. These tensions already existed in pre-colonial times, when Bengal was ruled by the Muslim Moguls who had conquered India in the 16th century and had made Dhaka their administrative and economic centre. When the historical region of Bengal became the first possession of the British in India and the nucleus of their expansion on the sub-continent from the mid-18th century onwards, it was, however, the Muslim community losing its political leverage.[722] This fact was symbolised by the establishment of Calcutta as the power base of the East Indian Company in the beginning of the 18th century and its subsequent becoming the seat of the Governor General of India in 1785.[723]

The loss of political power of the Muslims was paralleled by their declining welfare vis-à-vis the Hindu community, which tremendously profited from the economic, administrative and educational policies of the British.[724] When the British, supported by many representatives of the Muslim community, decided to divide Bengal in a Hindu West Bengal and a Muslim East Bengal in 1905, the colonial government virtually approved the further division of the two communities.[725] Even though this partition formally only lasted until 1912 and wasn't re-established until one year before the partition of India, it tremendously contributed to the deepening ethnic fragmentation of Bengal. Its political elite became divided and organised itself in political parties that were organised along religious lines, the Congress and the Muslim League; this not only led to ethnically distinct electorates but also supported the parallel development of two separate anti-colonial movements.[726] Thus, the last years of British rule in Bengal were not only marked by mass protests against British rule but also by riots between Hindus and Muslims all over British India, which undermined the British

722 Baxter (1997), p. 27
723 Ibid., p. 25
724 Ibid., p. 38
725 Kabir (2000), p. 10
726 Baxter (1997), p. 41

plans for a post-Empire India and finally led to the partition of India along communal lines in 1947.[727]

The newly emerged Pakistan consisted of two parts, East and West Pakistan, which differed in terms of language, culture and ethnicity but not in terms of religion.[728] In fact, Islam was the only common bond between the two wings, a bond which the Indian Muslim League had started to promote only from the late 1930s onwards and became the main rationale of the Pakistan movement in the 1940s.[729] But whereas in India the Congress Party and its charismatic leader, Nehru, laid the foundation for the development of democratic and decentralised political institutions, the Muslim League was not a well established and disciplined party, which could have fulfilled similar tasks.[730] Pakistan, therefore, soon experienced frequent changes in political leadership and subsequently came under the firm control of the military and the civilian bureaucracy, whose top-brass started to run the country in a dictatorship-like fashion and centralised political power in the western part of Pakistan.[731]

In 1952, five years after the country had been formed, the new political elite sought to make Urdu the national language, ignoring the aspirations of the majority of the inhabitants of Pakistan, which indeed lived in East Pakistan and had Bengali as their main language.[732] It thus sparked a social movement, which the government finally wasn't able to contain. This social movement was not only spurred by cultural issues but also by the economic advantages, which the Western part of Pakistan began to enjoy at the expense of their brethren from the east. Even though the major part of exports from Pakistan came from East Pakistan, the imports benefited the economic development in West Pakistan; in East Pakistan, wealth was concentrated in the hands of a few families, many of which were "industrialists cum traders", having migrated from other parts of India to West Pakistan.[733] The densely populated areas in East Pakistan were thus neglected by Pakistan's political elite, which was for long virtually disinterested in the worsening living conditions of the poorer strata of the Bengali part of Pakistan.[734] The cultural and economic discrimination of East Pakistan paved the way for a new political opposition that started to rally a nationalist mass

727 Kabir (2000), pp. 107f
728 Dos Santos (2007)
729 Bose (2004), p. 96, Kabir (2000), pp. 84-94
730 Stern (2001), p. 14
731 Bose (2004), p. 106
732 Zaheer (1994), p. 21
733 Dos Santos (2007), pp. 24f, Kochanek (1993), p. 73
734 Yusuf (1985), p. 48

movement in the eastern part of the country.[735] Driven by the secular, pro-Indian Awami league, which had its support from the middle-class bourgeoisie, the petty bourgeoisie and socialist-oriented student groups, the movement declared Bangladesh's independence in March 1971 and thus provoked the military intervention by the Pakistani army.[736] After a couple of months of brutal warfare, which saw millions of Bengali civilians being killed and was ended by an Indian military intervention, Bangladesh was finally recognised by the international community as an independent state in December 1971.[737] The leader of the Bengali mass-movement, Sheikh Mujibur Rahman, who had spent the time of the war in exile in India, now became the first president of the country.

9.2 The political and administrative regime after the formation of Bangladesh

The war of independence not only claimed millions of lives but also destroyed the country's infrastructure and accelerated the exodus of Hindus and of other minority communities to other parts of the world, mainly to India.[738] Sheikh Mujibur Rahman thus had the difficult task of rebuilding a war-ravaged economy and to unite a society fractionalised along the lines of ethnicity, socio-economic status and ideological orientation. In order to govern the country in this unstable political situation, the president entirely relied on his own political power base, the Awami League, whose members had either stayed with him in Indian exile or had supported the Indian army to defeat the Pakistani forces; Awami Leaguers now gained access to political power in the government and the parliament and to important positions in the administration and the emerging public enterprises, and started to exercise political patronage themselves.[739] Not all influential fractions in the country were, however, satisfied with the policies of the Awami League and with the partisan politics of its leader. The political development of the initial post-war years failed to soften the demands of both the left-wing forces in the country but also, and more importantly, those of the military. The army's leadership started to feel alienated from the new government and his patron, whose democratic and increasingly socialist ideology and high-handed

735 Kabir (2000), p. 122
736 Yusuf (1985), p. 60
737 Mascarenhas (1986)
738 Baxter (1997), p. 83
739 Barua (1978), pp. 25 & 75

behaviour they resented.[740] Their position was strengthened by a massive drought and the subsequent famine in 1974, which again killed millions, weakened the position of the government and made it increasingly act in an undemocratic manner by banning independent political parties.[741] A group of officers, obviously with the knowledge of the army chief himself, therefore decided to topple the government. The military coup took place in August 1975 and was followed by a period of enormous political instability; during that time, a number of political and military leaders came into power and were toppled again, until General Zia Rahman took over the government, first, as a military ruler, and later on, after elections held in 1977, as the democratically legitimised president.[742]

Zia's government introduced a number of changes to the institutional foundations of Bangladesh laid by the Awami League by putting into question the country's secular orientation and by promoting a mixed economy, thus putting into perspective the socialist orientation of Bangladesh.[743] Whereas the first policy change affected the external relations to secular India, the latter improved relations to western donors, which had been pressurising the government to make public policy more private-sector friendly.[744] This, indeed, resulted in the emergence of a distinctively Bangladeshi class of private sector entrepreneurs, which were nurtured by the government and started to enjoy massive political patronage. In order to sustain these political changes and to bolster his own power base by marginalising the Awami League, Zia founded a new political party, the Bangladesh Nationalist Party (BNP), which encompassed representatives of the military, the bureaucracy and the emerging business community.[745]

Zia's reign saw the further growth of political disunity and of social inequalities, which resulted from the considerable population increase and from the soaring wealth and aggrandizing power of the urban elite.[746] Not even the army, Zia's original power base, stood firmly behind him; different fractions of the military launched more than twenty coups against the president, the last of which led to Zia's death. The coup was, once again, followed by several months of enormous political instability

740 Hossain (2004), p. 197
741 Kochanek (1993), p. 88
742 Hossain (2004), p. 199
743 Ibid., p. 198, Kochanek (1993), p. 59
744 Ibid., p. 91
745 Hossain (2004), p. 201, Kochanek (1993), p. 59
746 Choudhury and Wahid (1996), p. 19

and ended with the coming into power of General Ershad, who ruled the country until 1991.[747] Ershad created "an authoritarian, military-bureaucratic state", with the legislative, executive and the judicative centralised in the hands of the president, of a number of generals and of some ministers close to the president.[748] Military officials were placed in administrative positions both at the national and the local level, in order to undermine the influence of the two main political parties.[749] Similar to Zia, Ershad did not depend on the political support of the poorest sections of society; therefore, the increasing affluence of the emerging middle-class on the one hand and the withdrawal of food and agricultural subsidies on the other hand did not cause major opposition by the affected population.[750] Political opposition was overtly suppressed by a government, which, for many years, relied on emergency-rule.

In the course of the latter part of the 1980s, Ershad's authoritarian regime met with growing opposition by the two traditional parties. By that time, the parties were led by family members of the two former state leaders and party founders. The Awami League by Mujib's daughter Sheikh Hasina and the BNP by General Zia's widow, Khaleda Zia. In the year 1990, the opposition movement gained more ground, made the regime resort to the imposition of curfews and to stern action against the activists, and finally forced General Ershad out of office in 1991. After democratic elections, held under the auspices of a neutral interim government, the BNP came back into power.[751] Their reign lasted until 1996, when Awami League won the parliamentary elections and remained in power until 2001. In that year, BNP and its leader, Khaleda Zia, were voted in again and stayed in power up to the end of 2006, when they installed an allegedly interim government. Only a few months later, this government was sacked by the army and was replaced by a further interim government, which was more acceptable both to the Awami League, the army and the international community.[752]

The political development under the democratically elected governments since 1991 was characterised by further politicisation of all aspects of Bangladesh's society and by the hostilities between the two main parties, each of which represents a different vision for Bangladesh's development and worship one of the two respective

747 Kochanek (1993), p. 60
748 Ibid., pp. 60 & 65
749 Ibid., p. 63
750 Mahmud et al. (2008), p. 14
751 Hossain (2004), p. 206
752 Hagerty (2008)

party founders. Elections were overshadowed by rigging of votes and political violence between the main two parties, carried out on the roads and in the dark, and there was an increase in extra-judicial political killings, especially under the BNP government in power between 2001 and 2006.[753] Furthermore, in order to retain or to achieve political power both at the national and the district level, alliances had to be sought with political parties which had previously only been of marginal importance. It was mainly the Islamist forces, which gained from this development, even though some of their members started to resort to terrorist tactics and continued to question the legitimacy of the Bangladesh as a nation state itself.[754]

Despite political violence, the years after 1991 saw a couple of developments which would have contributed to the overall stability of the country. One of the key aspects of Bangladesh's development under the post-Ershad governments was economic growth. Since the early 1990s, the country's GDP grew at approximately 3.2 percent, which, as economists believe, was translated into sustainable poverty reduction.[755] This process was interrelated with the growth of NGOs that started to be involved in the implementation of poverty reduction activities such as micro-credit banking;[756] furthermore, media freedom increased, with more private TV-channels and newspapers both in Bengali and English being published.[757] At the same time, the power of the military forces was contained to a certain extent by the political leaders of the country, who indeed used the different arms of the army to oppress political opponents but also involved them into lucrative UN-peace keeping missions, making the respective military leaders more dependent from the support of the international community, which would not back a military-regime in Bangladesh.[758]

The process of political fragmentation was paralleled by a substantial erosion of the capacity of Bangladesh's administrative system. According to Transparency International, the extent of corruption in Bangladesh's administration belongs to the highest in the world.[759] Many political observers started to lament that administrators held wide-ranging powers enabling them to provide their clients with perks and opportunities for large-scale tax-evasion and that they were working for their individual inter-

753 Molla (2004), pp. 229f, Stern (2001), p. 161
754 Riaz (2005), Id. (2006), p. 107
755 Mahmud et al. (2008), pp. 6 & 21
756 Ahsan (2005), p. 155
757 Ibid., p. 156
758 Hagerty (2008), p. 179, Sobhan (2002a), p. 131
759 Transparency International (2008), p. 27

ests, protected by their political masters and not monitored by the parliament and the respective standing committees.[760]

The main part of Bangladesh's administrative system has its roots in a colonial administration, which the British started to establish after 1765, when they took over the control of the revenue administration of Bengal from the Mogul emperors.[761] Previous administrative structures had evolved under previous Buddhist, Hindu and Muslim rulers but were considerably overhauled by the British, who started to build up a civil service that was centralised and standardised all over British India.[762] After the British had left in 1947, the inherited administrative structures were continued on the basis of the Government of India Act of 1935, which was adapted by the Pakistan (Provisional Constitution) Order of 1947.[763] The core of the alliance of civilian and military bureaucrats in Pakistani times was the elitist Civil Service of Pakistan (CSP), which was very effective in fending off administrative reforms and thus in conserving the structures of the British system.[764] When Mujib came into power in 1971, the administration had been tremendously weakened by the departure of many senior administrators to West Pakistan; the remaining public servants were mistrusted by the president, who therefore tried to establish a public service that would follow his dictates.[765] Many members of the former CSP were dismissed and substituted by party favourites or civil servants who had participated in the liberation war.[766] In order to contain the power of the former CSP, Mujib also formed the Planning Commission, which in fact was a "large multi-sectoral super-ministry", mainly consisting of academics with little experience in administration.[767] The Five Year Plans written by this commission were meant to plan economic development along the lines of Soviet development plans but their implementation was diluted during the consultations between ministries and the planning commission.[768]

These early years of the Bangladeshi administration were to be crucial. Not only was the public sector made the key actor in economic and social development but also was it staffed with individuals selected on the grounds of political loyalty, which

---

760 Shawkat Ali (2004), pp. 260 & 277, Sobhan (2002a), p. 130
761 Abedin (1973), p. 3
762 Ahmed (2002), p. 322
763 Shawkat Ali (2004), p. 69
764 Ahmed (2002), p. 322
765 Zafarullah (1987), p. 462
766 Ahmed (2002), p. 325, Kochanek (1993), p. 91
767 Asaduzzaman (1995), p. 245, Syeduzzaman (1995), p. 265
768 Asaduzzaman (1995), p. 248

contributed to increasing provision of political patronage and rent-seeking and to the expanding number of ministries and public servants.[769] This trajectory was continued under Zia and Ershad. Especially during the rule of the latter, the size of the administration was more than doubled and corruption and patronage became more widespread;[770] the implementation of development plans and annual budget was undermined by Statutory Regulatory Orders (SRO), on the basis of which the president raised or lowered taxes, import duties and export fees in order to gain the support of those he depended on.[771] Under the democratic governments in power since 1991, corruption in the administration was hardly reduced, and there were no attempts to scale down the size of the administration handed over to the democratic regimes by Ershad.[772] There were numerous failed attempts to decentralise the administrative process and to make the staff of ministries and departments, many of which were and are lacking job descriptions, more accountable to the general public.[773]

From the beginning, the Bangladesh's political and administrative regime became strongly influenced by humanitarian and development aid from more industrialised countries. The climax of aid dependence was, however, already reached in the 1980s, when the aid-GDP ratio was at approximately 10 percent and when the Annual Development Programme was nearly entirely financed from foreign aid.[774] The influx of aid was, however, not a phenomenon that began in 1971. Already during the Pakistan period, foreign aid was important, and it was used by the donors to further the growth of the private sector.[775] This policy was strongly pursued by USAID, the major bilateral donor of the country, but also by the World Bank, whose strategy to support economic reforms was interrelated with the American efforts to turn Pakistan into a strategic partner in South Asia.[776]

After the formation of Bangladesh in 1971, the country received considerable aid from different donors, at the helm of which was the World Bank. Despite initial reservations with regard to the Bank's political alignment with the US foreign policy, the government under Mujib accepted an Import Programme Credit (IPC), financial sup-

769 Zafarullah (1987), p. 463
770 Kochanek (1993), p. 66
771 Ibid., p. 69
772 Ahmed (2002), p. 326
773 Ibid., p. 346
774 Sobhan (2004), p. 140
775 Yusuf (1985), p. 59
776 Ahmed and Siddique (1999), p. 188, Bajwa (1996), pp. 46f, Islam (1972), pp. 516 & 529

port to reconstruct the war ravaged infrastructure and food and commodity aid.[777] The latter was also used for the manufacturing industries in the public sector, which grew increasingly aid dependent.[778] Aid dependence resulted in Bangladesh being subject to political pressure from western donors not to align with the Socialist block, which led the government to stop the export of jute goods to Cuba after respective interventions from the US.[779] Since then, Bangladesh constantly followed a pro-Western foreign policy, a process, which is being symbolised by the constant policy dialogue between the political and administrative elite and the World Bank.[780]

Under Zia, aid became more oriented towards private sector development. The IPC was complemented by measures through which industrialists were given favourable access to imported material.[781] One of the main foci of donor intervention, however, became the Development Finance Institutes (DFI), whose loans were disbursed to entrepreneurs and were thus intended by the donors to nurture an indigenous private sector. At the same time, the private sector was directly supported by construction related development projects, under which contracts were awarded to both foreign and domestic firms.[782] In the early 1980s, Bangladesh experienced a rapid deterioration of its terms of trade. The donors considerably increased aid but also pressurised the government not only to support the development of the private sector but also to reduce the country's financial and external deficit through the means of structural adjustment.[783] Thus, overall public investments, especially food and agriculture subsidies, were reduced from 1982.[784]

The coming into power of a democratic regime in 1991 was paralleled by the advent of the Washington Consensus and the World Bank's renewed global focus on poverty. In Bangladesh, donors accordingly renewed, on the one hand, their efforts to support reforms that would reduce regulations in various policy domains, including trade, agriculture, food and energy, further private sector led growth and lead to the privatisation of state enterprises.[785] On the other hand, donors engaged in poverty alleviation programmes by contracting non-governmental organisations (NGO), which

---

777 Id. (1981), pp. 14f, Parkinson (1981), p. 147
778 Sobhan (2004), p.159
779 Ibid., p. 140
780 Ibid., pp. 141-143, Syeduzzaman (2004), p. 298
781 Huq (1995), p. 167, Syeduzzaman (1995), p. 298
782 Sobhan (2004), p.159
783 Mahmud et al. (2008), p. 3
784 Syeduzzaman (2004), p. 297
785 Sobhan (2004), p. 144, Syeduzzaman (2004), pp. 305 & 313

made this entirely aid-dependent sector become one of the largest in the world.[786] Following the World Bank's report on governance and development in 1992, the World Bank and other donors in Bangladesh also started to put administrative decentralisation, transparency and accountability high on their agendas, hoping that a democratic regime would be a reliable partner for such reforms.[787] In the years after 2000, reforms to facilitate private sector led growth, to reduce poverty and to improve governance were at the core of the two Poverty Reduction Strategy Papers (PRSP), which were being authored by the Planning Commission in strong cooperation with donor agencies in order to define priorities in the development strategy and to have a commonly agreed rationale for aid programmes.[788]

Many of the intended reforms were not only strongly contested in the general public but often were not implemented at all, making the World Bank observe that "dysfunctional politics" were the main barrier to development in Bangladesh.[789] In fact, aid has hardly reached the poor and has itself become part of a corrupt process, driven by numerous individual and corporate actors at the different levels of the political and administrative regime, none of which have been interested in increasing the accountability of the aid process.[790] Especially the members of parliament are under constant pressure to siphon aid from the centre to the rural areas, so that roads, schools and hospitals can be built with their political patronage.[791] Over the course of the years, the dependence of Bangladesh's political and administrative regime on foreign aid was, however, considerably reduced. Since the 1990s, Bangladesh has rather become dependent, on the one hand, from trade, after the US and the EU had granted privileged access to their markets and, on the other hand, from the remittances of its migrant workers.[792] It is mainly these two developments combined which have allowed Bangladesh to constantly pay back some of the loans and to thus reduce public dept.[793]

---

786 Ahmed (2004), p. 416, Lewis (1997), p. 33
787 Sobhan (2004), pp. 146f, World Bank (1992)
788 Government of Bangladesh (2005), Ministry of Finance (2003)
789 World Bank (2006a), p. 25; for a critique of the PRSP see Chowdhury (2005), Patel (2004), Rahman et al. (2005).
790 Sobhan (2004), pp. 151 & 154
791 Ibid., p.165
792 Ibid., pp. 142f
793 Ibid., p. 162

10 The development of the education and training regime in Bangladesh

10.1 The education and training regime before the formation of Bangladesh

Towards the end of British rule in India, the educational system in the eastern part of Bengal was strongly segregated along ethnic lines and thus reflected the communal fractionalisation of this part of India: Public schools and universities were mainly attended by Hindus, whereas an unproportionally high share of Muslims frequented the denominational private schools.[794] The widespread use of these private schools among Muslims was not only the result of colonial education policy but also of developments in the Mogul period: Up to the 18th century, the Muslim rulers in this part of India had successfully motivated the land owners to establish schools which would, independently from the central Mogul government, impart Islamic educational contents that, in the urban areas, also included the principal Islamic languages. During the first couple of decades of British rule over Bengal, this policy was continued until 1835, when the British decided that Western knowledge was to be taught to a greater extent and thus began to establish a network of English schools and colleges in Bengal. As, in the same years, English became the main language of the courts of the entire colonial government service, these new schools met with considerable social demand, which also made many private schools introduce English as their main language of instruction.[795]

This growth of secondary and higher education was further spurred by the establishment of a university at Calcutta in 1857 but also by the introduction of a scholarship-scheme for deserving students at schools and colleges and an increase in government subsidies to private educational institutions with a secular curriculum.[796] The educational expansion following these reforms was, as in the decades before, primarily borne by private enterprise, and it led to high educational participation among the Hindu middle classes. In fact, more public schools were established in Hindu dominated West Bengal and even the public schools in primarily Muslim East Bengal were predominantly frequented by Hindus. The high educational participation rates among

794 Ahmad (1992), pp. 124f
795 Ibid., pp. 109f
796 Ibid., p. 111, Ahmed (1974), pp. 7-10

the Hindu part of the population resulted in them having better prospects for social mobility, as formal education facilitated employment in the colonial civil service and in trade, which was equally controlled by the British.[797]

After the turn of the century, the colonial government increasingly became aware of these inequalities. Especially after 1906, when Assam and the eastern part of Bengal were a separate province, the British therefore initiated a number of reforms to promote public education among the Muslim population and made the first plans for the establishment of a university at Dhaka, which would finally materialise in 1921.[798] But as these reforms were followed by a period of rising tensions between the ethnic communities and of staggering economic development in re-united Bengal, the participation rates among Muslims did not increase considerably until the British left in 1947.

The expansion of technical and vocational education remained limited during the British period, which corresponded with the low importance that the colonial administration attached to industrial development. In the rural areas, a small number of public institutes trained artisans, craftsmen, land surveyors and construction supervisors. Some of them, the Industrial Schools, were operating under the Directorate of Industries, which also started a technical training centre in Dhaka to train retired and retrenched army personnel after World War I.[799] At the higher technical education level, the British founded a survey school in Dhaka in 1876, which prepared technicians that were to support the administration of rural Bengal.[800] In many other parts of India, these years marked the beginning of the rise of technical education, which was, particularly since the 1880s, an important political aim of the Indian National Congress and, after 1900, of the Swabeshi movement which aimed at making India more self-sufficient. In fact, the number of technical education organisations in Bengal rose from 23 in 1897 to 202 in 1937 but – similar to general education – this growth would be more pronounced in the western part of Bengal, where the British also established a more comprehensive technical college.[801]

The partition of India tremendously redefined the scenario of educational development in the area, as it resulted in the exodus of many Hindu teachers and owners of private schools from East Pakistan but also in the loss of Calcutta, the then economic

797 Peshkin (1963), p. 9
798 Alam et al. (2007), p. 20
799 Ministry of Labour and Manpower (1984), pp. 45f
800 Kabir et al. (2008), p. 11
801 Kiyokawa (1983), pp. 121f

and cultural centre of Bengal.[802] The effects of these events were exacerbated by the sceptical attitude of the Pakistani government vis-à-vis an expansion of educational opportunities, which did, in contrast to Sri Lanka, not allow educational development to become part of the process of postcolonial nation-building. In fact, education was, very soon, a political domain which dramatically featured the country's political fragmentation along cultural and ethnic lines, the main political controversy at that time – the role of the Bengali language in Pakistan – being directly linked to education policy. In the eyes of the educational planners in Pakistan, a more comprehensive educational system and a further increase in enrolment rates would have further accentuated these frictions.[803] Thus, not only remained both primary and secondary schools mainly in private hands but also were there no incentives to establish more non-public schools.[804] Between Pakistan's independence and the mid 1960s, the number of secondary schools in East Pakistan had only been raised by little more than 18 percent to 4108, which stood in strong contrast not only to the size of the population of this part of Pakistan but also to the educational expansion in the western part of the country.[805]

The government's restrictive approach to education was also reflected at the university level. In the early 1960s, the resources for this segment of the education sector still came from private sources by more than 50 percent and the share by the public sector even declined.[806] The six universities established by 1970 and the colleges affiliated to them thus only catered to a very limited, affluent section of the East Pakistani society.[807] Despite restricted university expansion and despite severe laws restricting the public life at these universities, it would be from these locations, mainly from Dhaka University, that protests against the regime in the western part of Pakistan would emerge and would finally lead to the civil war some years later.[808]

In contrast, expansion of technical and vocational training was less contentious, as it was, in the eyes of the government, less entangled with the cultural politics of Bangladeshi nationalism but rather a crucial element in the transition into the age of science and technology.[809] Similar to other post-colonial countries at that time, the

802 Peshkin (1963), p. 9
803 Ahmad (2003), p. 21
804 Ahmad (1992), p. 143
805 Ibid., p. 147
806 Ibid., p. 144
807 Alam et al. (2007), p. 16
808 Ahmad (1992), p. 150
809 Ahmad (2003), p. 221

Pakistani government aimed at boosting economic growth by strengthening both workplace-based and school-based technical and vocational training. Workplace-based training was to be developed through an apprenticeship training scheme, the legal regulations of which were defined in the 1960s and then subsequently implemented under the Labour Department.[810] The mainstay of the expansion of the technical and vocational training system was, however, based on the establishment of vocational and technical training centres. Up to the 1960s, it was mainly the Labour Department with its five Technical Training Centres and the Directorate of Industries with its five industrial schools and the Dhaka Polytechnic Institute which were the main providers of school-based vocational and technical training.

After 1961, however, the Directorate of Technical Education (DTE) started to be the key agency in technical and vocational training. Not only did the industrial schools, previously under the Directorate of Industries, come under its purview and were upgraded to Polytechnics but also did the DTE open up 22 Vocational Training Institutes and a number of further polytechnics by 1970.[811] This organisation was, from its inception, strongly backed by the World Bank, which supported the education sector in Pakistan for the first time.[812] As technical and vocational schools, similar to academic secondary schools, prepared students for examinations, this part of the education and training system received its own examination body. The East Pakistan Board of Examination for Technical Education was founded in 1954 and re-organised as the East Pakistan Technical Education Board in 1967 with the mandate to oversee technical vocational education offered by the different organisations in the field by developing curricula, conduct examinations and award credentials.[813]

At the higher technical education level, the earlier Dhaka Survey School developed to be the most important technical university of East Pakistan. In 1948, the school became the Dhaka Engineering College, affiliated to Dhaka University, and subsequently developed to a highly prestigious institute.[814] The reputation of the college was certainly rooted in its highly selective entry system but also in curricula, which were, first, based on the model of British programmes and, subsequent to a link with the Texas Agriculture and Mechanical College, on American models.[815]

---

810 Government of Pakistan (1962), Government of Pakistan (1967)
811 Ministry of Labour and Manpower (1984), pp. 45f
812 Siddiqi (1995), p. 16
813 Bangladesh Technical Education Board (1995), p. 1
814 Kabir et al. (2008), pp. 11-14
815 Ibid., p. 12

10.2 The education and training regime after the formation of Bangladesh

10.2.1 The overall development of education and training

After Bangladesh had become independent in late 1971, the new government declared educational development to be a major element of nation building. Public investments into general basic education were increased, primary schools nationalised and soon, indeed, enrolment rates at the primary level rose considerably.[816] Despite these changes with regard to the expansion of primary education, secondary education policy remained comparatively elitist, as two crucial features of the previous system were retained in the course of the post-independence expansion of public education. First, the government decided not to nationalise secondary schools and, second, it did not away with the selection mechanism at the entry of the junior secondary level that was an important reason for socio-economic segregation of the education system at the secondary level. Social demand for education remained low as a major part of the population, hardly in touch with the formal part of the labour market, did not consider schooling to be an important means for social mobility and was not prepared accept its high opportunity costs.[817] Accordingly, no political party tried to win votes by promoting expansion of secondary education. The development of the general education system soon was one of the concerns of donor agencies, which started to strongly influence its values and the direction of its overall development; their leverage over implementation, however, remained limited for many years as it continued to be strongly dominated by local political pressure groups.[818] At the time of General Ershad, donors therefore started to interact with non-governmental organisations (NGOs) that operated their own schools and were, instead of the political parties, gradually built up as proponents of basic education.[819]

After the demission of General Ershad as president of Bangladesh, the development of the education system was dominated to an unprecedented extent by the expansion of primary education. This was the result of a renewed effort by the newly elected BNP government. Echoing the Jomtien declaration of 1991, it declared Education for All (EFA) and thus universal primary education to be the main objective of

816 Ahmad (2003), p. 214
817 Dove (1983), p. 80
818 Ibid., p. 78
819 Hossain (2004), p. 18

its education policy.[820] Subsequently, the government introduced a number of measures, which aimed at implementing this objective: primary education was made free to all children in government schools and girls' education became free at the junior secondary level as well.[821] In order to reduce the opportunity costs of schooling, this policy change was accompanied by a scholarship programme for girls in rural areas and a Food for Education programme in specifically disadvantaged areas of the country.[822]

The donors, eager not only to see one of their main concerns being implemented but also supportive of the incoming democratic government, backed these efforts by funding a number of programmes that were aimed at enhancing equitable access to primary education and at improving the quality of instruction. The most important of these interventions were two subsequent Primary Education Development Programmes (PEDP).[823] In this context, NGO schools were given wide support, namely the ones by the Bangladesh Rural Advancement Committee (BRAC), which subsequently became the largest educational NGO in the world.[824] These efforts in educational development effectively increased enrolment rates. The increase in the number of schools by 64 percent between 1990 and 1997 was paralleled by an increase in the total school population by 50 percent from 12 to 18.3 million.[825] By the year 2005, the net primary enrolment rate would be at 94 percent and 65 percent of all children enrolled into primary education would reach at least grade five.[826] Furthermore, the enrolment of girls rose further to 50 percent in 2000, after having been at 37 percent in 1985.[827]

Despite these achievements at the primary level, the growth of enrolment rates at the secondary education was relatively slow, especially in the rural areas:[828] in 1998, secondary education participation of children between 11 and 15 was, on a net basis, at 33 percent, subsequently rising to 45 percent in 2005.[829] Participation rates were particularly low at the senior grades of the secondary level, being at 31 percent in

---

820 Al-Hussainy (1995), p. 106
821 Latif (2004), p. 6
822 Hossain (2004), p. 2, Latif (2004), p. 6
823 Ibid., World Bank (2008b), p. 1
824 Nath (2002), p. 517
825 World Bank (2000b), p. 5
826 United Nations Development Programme (2005), p. 271
827 World Bank (2008b), p. 8
828 Campaign for Popular Education (2006), p. 52
829 Ibid., p. xxxv

2005.[830] The reasons for the comparatively low enrolment rates at the secondary level are complex but centre around the fact that a large share, more than 80 percent, of the costs of secondary education continued to be borne by the private households.[831] In contrast to primary education, attention of secondary schools up to grade XII was not made free and secondary schools remained to a large extent in the non-government sector. These schools, enrolling more than three quarters of all students at the secondary level, were indeed partly aided by the government through grant-in-aid for the payment of teacher salaries, which were, however, not sufficient to guarantee the quality of instruction in most secondary schools.[832] The most prominent combined effect of both increasing primary education participation and the lack of funds for the further development of secondary education was the rise of the average number of students per class from 18 in 1970 to 22 in 1990 and to 56 in 1997.[833]

The weaknesses of secondary education are clearly a consequence of political decisions. Whereas development of primary education under state patronage became a donor-backed priority in the early 1990s, that of secondary education did not, even though the funds allocated for secondary education were rising relative to those compared to university education.[834] Those traditionally profiting from secondary schools, both the urban and the rural middle-classes, were hardly interested in improving the state of secondary education, as increasing enrolment rates at this level mainly implied increasing competition for access to higher education. In fact, screening of able students for further academic education had been the objective of secondary schools since the development of the education system under British rule, and it continued to be at the bottom of both curriculum and teaching methods.[835]

The academic orientation of secondary schools is also being reinforced by the recruitment practices on the labour market. On the one hand, the credentials awarded by the public examination boards are of low importance in most parts of the labour market, with only 9 percent of the labour force having undergone at least ten years of schooling and thus holding a Secondary School Certificate (SSC) in 2000.[836] Especially in the informal sector of the economy, still the largest segment of the labour

---

830 World Bank (2008a); see also Ahmed (2000), p. 245.
831 Campaign for Popular Education (2006), p. xxxvii
832 Ibid., pp. xxxv & 101
833 World Bank (2000b), p. 66
834 Id. (2000a), pp. 63f
835 Ahmed et al. (2005), p. 27
836 Rahman (2002), p. 86

market especially in the rural areas, secondary schools certificates are not expected by employers, many of which prefer to recruit child labourers and to train them up as their apprentices.[837] For this reason, there is little pressure from employers to reduce the purely academic orientation of formal schooling.

On the other hand, the secondary education certificates are a requirement for most positions in the public sector, whose recruitment rules strongly reward the acquisition of academic skills.[838] Employment in the public sector only contributes 4.5 percent to aggregate employment in Bangladesh. But as these positions often are some of the few opportunities for employment in the formal sector in the rural areas and as public servants belong to the more organised segment of the labour market and enjoy better employment conditions, public sector employment has a "disproportionally large impact on the behavioural expectations" of both the existing workforce and the school population.[839]

The Bangladeshi education system not only experienced tremendous expansion of primary and secondary but also of university education, which was an effect various reforms and increasing social demand. The first major reform occurred in the 1970s. On the one hand, a new university ordinance provided the existing universities with more autonomy than under the Pakistani period, giving both teachers and students the opportunity to become involved into the governance of their own universities.[840] On the other hand, the universities received permission to enrol more students and to open up new departments, such as in the case of Dhaka University.

The new university ordinance would subsequently lead to the university system becoming increasingly politicised, as the staffing of the governing bodies of the university started to be inflicted by electoral politics. This politicisation also resulted in the inflation of university ranks, e.g. in the rising number of academics being promoted to the professorial level, without further lecturers being employed.[841] This tendency was exacerbated when, after 1980, resources for universities became scarcer. Under pressure from donors, which placed high emphasis on the development of general education, General Ershad started to considerably reduce the share of university

---

837 Sattar Mandal (2003), p. 236

838 On the examination process in the civil service see Hoque (2003, p. 284), Shawkat Ali (2004, pp. 128f).

839 Saha (2003), p. 183; on the high social status of public sector employment see also Hoque (2003, p. 261).

840 Chowdhury (2002), p. 518

841 Alam et al. (2007), p. 16

education in the education budget from 10 to approximately 7 percent.[842] The combination of increasing politicisation and a growing lack of funds resulted in a deterioration of the quality of instruction and research in many disciplines. Similar to Sri Lanka and to other parts of the Indian sub-continent, there were a couple of instructive exceptions. Notably the Bangladesh University of Engineering and Technology (BUET) – the former Engineering College – continued to be governed by the University Ordinance of 1961 and went on to enjoy considerable government patronage and to receive funds from donor agencies. Thus, it remained the uncontested preserve of the upper most echelons of Bangladeshi society.

The development of the university education in Bangladesh after 1990 was mainly a result of the combined effects of two separate, though interrelated acts, which were passed by parliament soon after the new, democratically elected government had taken its seats. The National University Act was to lay the legal foundations to affiliate degree-awarding colleges, previously affiliated to some of the existing public universities, to a newly formed National University, which was solely operating as an examining body.[843] The Private University Act was to regulate governance of private universities, some of which had already evolved some years before.[844] Both pieces of legislation were the consequence of pressure emanating from Bangladesh's increasing middle-class to increase enrolment into university education, which had, so far, been tremendously restricted by the University Grants Commission. In fact, between 1970 and 1993, enrolment into university education had only risen by 1 percent, which made the students from the lower middle classes seek employment and those from the upper echelons of society migrate to foreign universities.[845]

The National University Act soon led to a growth of public degree-awarding colleges: by the end of the 1990s, their number had risen to 800, which was a growth by 60 percent since 1991.[846] Thus, in the year 2000, more than 85 percent of all students at university level were studying at colleges under the National University.[847] Despite considerable growth of university enrolments, allocations for the development of higher education were strongly reduced in the 1990s.[848] Necessarily, the combination

---

842 Ibid., p. 20, Chowdhury (2002), p. 515
843 Government of Bangladesh (1992a)
844 Id. (1992b)
845 Chowdhury (2002), p. 516, Hopper (1998), p. 98
846 World Bank (2000a), p. 25
847 Chowdhury (2002), p. 512
848 World Bank (2000a), pp. 63f

of increasing enrolments and declining funds resulted in a financial crisis in all public degree-awarding organisations and especially in the degree colleges, with university libraries starting to lack books and periodicals and the average class size increasing to over 70 at the end of the 1990s.[849] Again, public universities in Dhaka – namely BUET – were the least affected, with the teacher-student ratio remaining at approximately 1:15, which was a result from enrolments growing at a slower pace than before 1990.[850] The National University Act thus furthered their aristocratic seclusion.

At the same time, the Private University Act of 1992 initiated an enormous growth of enrolments to private universities. Starting with the North-South University, whose owners had been instrumental in lobbying the government to pass the act, the number of private universities rose to 54 and those of enrolled students to 46080 by 2003, which was a growth of more than 700 percent only after 1997.[851] In contrast to public universities, which don't have the authority to independently recruit teachers, the average student-teacher ratio at these universities remained between 1:9 and 1:20 and was thus significantly lower than even in the most reputed of their public counterparts.[852] Despite this advantage, many private universities are being criticised for not meeting a minimum of performance indicators.[853] Following the lines of the North-South University and its American models, private universities in Bangladesh generally offer four-year bachelor's degree programmes that are more strongly oriented towards the private sector segments of the labour market in Bangladesh than those of public universities, the most popular degree programmes being a Bachelor's in Business Administration, Computer Science and Engineering or in English Language and Literature.[854] Even though comprehensive statistical data on the absorption of graduates is lacking, the available evidence suggest that, indeed, they are by a majority joining that segment of the private sector, whose salary structure is more attractive than that of the public sector, even at its higher echelons.[855]

10.2.2 The development of technical and vocational education and training

The Awami League government led by Sheik Mujib not only promised to expand general education but also to increase enrolment in vocational and technical train-

849 Ibid., p. 26
850 Chowdhury (2002), pp. 512f
851 Alam et al. (2007), p. 32
852 Loc. cit.
853 Ibid., p. 47
854 Ibid., p. 31
855 Ibid., p. 33

ing.[856] Carrying through this electoral promise, it therefore established – as outlined in the First Development Plan and the Two Year Development Plan – seven new Technical Training Centres (TTC) under the Ministry of Labour and twelve Vocational Training Institutes under the Ministry of Education. In contrast to the last decade of the Pakistan period, the Ministry of Education now lost its position as the key agency for the development of technical and vocational training to the benefit of the training organisations under the Ministry of Labour, whose programmes were – particularly by donor agencies – considered to be less academic and therefore providing trainees with more practical skills than the Vocational Training Institutes.[857]

This tendency became more pronounced once Mujib's government had been toppled. Some donors, namely SIDA, indeed continued to support the VTIs with a number of projects, in order to address exactly these problems.[858] The major part of aid, however, came from donors, which did not aim at strengthening the VTI but the TTCs under the Ministry of Labour: UNDP and ILO, which had already funded the TTCs during the Pakistan period, became involved into the rehabilitation of war ravaged TTCs after 1972, supported their infrastructure and the development of curricula in a four-year project and began to prepare a more comprehensive World Bank funded project focusing on these training centres from 1975.[859] Under this project, the World Bank not only gave infrastructural support to the TTCs but quite openly aimed at reducing the stake of the Ministry of Education in technical and vocational training and at making the Ministry of Labour the key agency in this field. First, the World Bank advised to transfer all the existing VTIs to the Ministry of Labour, which indeed happened in 1982.[860] Second, the World Bank urged the government to establish a National Council for Skill Development and Training (NCSDT), which would coordinate the technical and vocational training programmes under the different ministries and develop a ladder of skill standards, against the backdrop of which all training programmes in Bangladesh were to be levelled.[861] Despite initial success, both plans of the World Bank failed: after only three years, the VTIs were transferred back to the Ministry of Education after considerable protest mainly by the trainees of these institutes. They, in fact, defied to be awarded their certificates by the Ministry of Labour,

---

856 Dove (1983), p. 74
857 Ministry of Labour and Manpower (1984), p. 50
858 Center for International Studies (1995), p. 9, World Bank (2000c), p. 42
859 Center for International Studies (1995), p. 8
860 World Bank (1990b), p. 2
861 Rafique (1994a), p. 17

whose reputation they considered to be lower than that of the Ministry of Education.[862] Quite similarly, the NCSDT was established and the consultants hired by the World Bank also achieved to formulate a set of National Skill Standards (NSS). But the NCSDT soon stopped to function, as the Bureau of Manpower, Employment and Training (BMET) neither had the manpower nor sufficient legal power to coordinate the different agencies.[863] Furthermore, the World Bank had to realise that even the programmes of the TTCs could not be easily changed in order to match what it considered to be the expectations of the labour market. Its plan to half the length of the TTC courses from two to one year was duly implemented; but soon the reform was revoked, as trainers and students opposed the reduction of the academic content of these programmes.[864]

An earlier focus of donor funding, the promotion of apprenticeship training, was virtually being phased out. Even though the World Bank in its project after 1979 aimed at strengthening the organisational capacity of the BMET in order to popularise formalised apprenticeship training and even though, in the mid-1990s, a UNDP project on in-plant and apprenticeship training had the same intentions, the total number of apprentices declined.[865] The reasons for this were simple: in the Pakistan period and in the early years of Bangladesh many state-owned enterprises trained apprentices along the lines of the BMET. In the 1980s, many of these organisations were being closed down or privatised but the major part of private sector representatives remained disinterested.[866]

Similar to the development of university education, vocational and technical training strongly expanded since 1990 and private providers were playing a crucial role in this growth, too. In the beginning of the 1990s, this development was not foreseeable at all, as some of the major donors in the educational sector had started to change their lending priorities at the expense of vocational and technical training. Reflecting the change of thinking at its Washington based headquarters, the World Bank proclaimed in its policy paper of 1990 that it wouldn't be wise to further invest into the development of VTIs and TTCs, and leading consultants started to criticise both efficiency and relevance of the training provided by polytechnics, which had for long been sup-

862 World Bank (1990b), p. 2
863 Center for International Studies (1995), p. 3
864 Ministry of Labour and Manpower (1984), p. 27
865 Center for International Studies (1995), p. 9; see also Planning Commission (1994), p. 213.
866 BD_ AdminUnit2_Representative2 (p. 2/l. 2-5)

ported by donor agencies.[867] Funds from the World Bank, which was reiterating its critique in policy documents of 2000 and 2006, were thus no longer available.[868] Likewise, the Asian Development Bank cancelled a comprehensive vocational training project in the first half of the 1990s due to a change of lending priorities.[869] In the early 1990s, UNDP and ILO were the only major donors involved into a significant project in the sector. In line with the global trends, the project, however, didn't aim at further expanding the system with public resources but at reforming its governance.[870]

The lack support from donors, in fact, had an impact on spending for the development of vocational and technical training, which continuously declined up to 1996.[871] This strategy didn't spark any protest from the side of the general public or from the private sector. Opposition to this negligence of vocational and technical training, however, grew within the administration, namely within the DTE and BTEB, whose leading officials were of the view that this strategy would hinder sustainable economic growth in Bangladesh. Instead of accepting their training organisations being downsized, they developed a plan to massively expand them by vocationalising secondary education. In 1995, they thus submitted proposals to establish 13 new VTIs and to introduce a vocationalised stream at the SSC level – SSC (Voc) – in all existing VTIs and in several hundred non-governmental schools.[872]

Even though the Planning Commission did not approve this project at that time, both DTE and BTEB started with the implementation of the proposal, and with the coming into power of the Awami League in 1996 not only were these two proposals approved but also became vocationalisation of secondary education an explicit goal of the Fifth Five Year Plan of the government of Bangladesh.[873] The plan even proposed further projects, such as the introduction of SSC (Voc) courses in government aided madrasahs, the introduction of HSC (Voc) and HSC (Business Management) – two vocational and a commerce streams at the senior secondary level –, and the modernisation of the polytechnics.[874] Through these projects, the government hoped to increase enrolment rates into vocational and technical training from 3.5 percent to

---

867 Oxtoby (1997), pp. 93f, World Bank (1990a), p. xix
868 Id. (2000a), pp. 22f, Id. (2006c), p. x
869 Id. (2000c), p. 42
870 Planning Commission (1990), World Bank (2000c), p. 42
871 Id. (2000a), p. 63
872 Planning Commission (1995), p. 141
873 For the implementation of the proposal see Rafique (1998, pp. 40f); for the rationale of vocationalising secondary education see Planning Commission (1997, p. 426).
874 Planning Commission (1997), p. 440

10 percent by 2000.[875] For this task, DTE became the lead agency, which meant a severe blow to BMET and the Ministry of Labour, both of which had tremendously profited from previous donor projects.[876] In the following years, the aims of the Five Year Plan of 1997 were the basis for further related projects, such as the implementation of the SSC (Voc) courses in the TTCs and in NGO schools. Furthermore, social demand for these courses was to be supported by stipends and scholarships for the disadvantaged and the highest achieving students.[877]

As in other domains of public policy, implementation of these projects was riddled with conflicts, all the more as donors were not prepared to step in with their funds. Within only few years, new curricula for more than twenty trades were being prepared by the staff of the BTEB, which was also responsible for publishing the respective textbooks and administrating examinations for all courses. Often, books did not reach schools, especially if they were in the non-government sector, and teacher training was lacking in many cases.[878] The main difficulty of non-government schools was, however, the procurement of machines, tools and equipment to teach the vocational courses, which was only minimally financed by the government.[879]

One of the main features of the expansion of the vocational and technical training system after the publication of the Five Year Plan in 1997 was the increasing number non-government schools and centres, which had previously enrolled only a small minority of those trained in the vocational and technical training system. Before 1990, there only existed around 200 of such organisations, most of which had developed as a result to opportunities opened up for skilled and semi-skilled working migrants to the Middle East and to Southeast Asia.[880] Other training centres were operated by non-profit oriented NGOs providing skills training to the poorest in the rural areas but their number remained low.[881] Furthermore, there were a small number of non-government secondary schools with attached technical sections that were eligible for grant-in-aid by the DTE and were required to meet certain standards defined by the

875 Rafique (1998), p. 42
876 Planning Commission (1997), pp. 439f; there were no similar plans for the TTCs, the training centres under BMET; see Id. (1997, p. 540).
877 For stipends see Rafique (1998), p. 49; for the merit programme see Planning Commission (2000, p. 212).
878 Rafique (1998), p. 53
879 Loc. cit.
880 Titumir (2005), p. 142
881 Ibid., p. 144

government.[882] All the other schools and training centres were thus largely uncontrolled, a fact which often had been lamented by the representatives of the public skill formation agencies.[883]

When the DTE started to provide grant-in-aid to non-government schools which were prepared to offer either SSC (Voc) or HSC (BM) courses, it certainly laid the foundations for more private provision. Already in 1998, non-government schools were enrolling 25'800 students participating in the SSC (Voc) programmes, and in 2005, the number had risen to 63'450, which was more than 75 percent of all students enrolled for SSC (Voc) in the country.[884] Similarly impressive was the development at the HSC level, where non-government schools enrolled 50'000 students in their HSC (BM) programmes in 2005, which was high compared to the 5'560 students enrolled in the HSC (Voc) programme offered by the public Technical Schools and Colleges (TSC), the former VTIs.[885]

But growth of private provision was not restricted to the SSC (Voc) or HSC (BM) programmes but also pertained to programmes at the basis skill and at the diploma level, whose supply was not supported by the DTE through grant-in-aid payments. Whereas the intake of public training organisations offering basic skill levels courses dropped from 23'500 in 1998 to 12'370 in 2005, the intake of private providers rose from 1500 in 1998 to 13'300, and at the diploma level, growth was even more prominent.[886] Most of the courses offered by private organisations at both of these levels were catering to the service oriented segment of the urban labour market, as did the HSC (BM) programme, with its focus on accounting, banking and basic computing.[887]

Despite growth outside the government-subsidised sector, the main expansion of the vocational and technical training system had resulted from grant-in-aid by the government, whose main agencies in the field of vocational and technical training, the DTE and the BTEB, had achieved that vocationalisation had become an important part of the rationale for the development of secondary education. The growth of the intake into the SSC (Voc), HSC (Voc) and HSC (BM) programmes resulted from a social demand for certificates, whose attraction was not mainly owed to their value on the labour market in the respective trades but to it opening up avenues for higher

882 Ministry of Labour and Manpower (1984), p. 49, Titumir (2005), p. 143
883 Ministry of Labour and Manpower (1984), p. 49, Rafique (1994a), p. 20
884 World Bank (2006c), p. 11
885 Loc. cit.
886 Loc. cit.
887 Ibid., p. 12

education or to employment in the public sector, for instance as instructors of public and private training organisations in the respective trades. Employment in the informal sectors of the economy or in the labour intensive segments of the formal private sector, towards which the vocational trades were actually oriented, was thus not on the minds of many students, most of which were searching for a suitable jobs for months or remained unemployed.[888] In fact, following the gradual opening of the economy those industrial sectors were growing most, which require a very small amount of technical skills.[889] In the jute and cotton textile industries, wages of skilled workers were, in 2002, indeed higher by 26 percent than those of the unskilled but the relative importance of these industrial sectors had been declining vis-à-vis the garment sector, whose employers were not paying more wages to workers that had undergone formal vocational training.[890] The growth of the training programmes in the private sector, which were not subsidised through grant-in-aid, was certainly driven by a social demand by students who were to a higher extent prepared to work in the formal private sector, though in its service oriented segments in the urban areas. There, competition had grown as a result of the growth of secondary education, making the trainees assume that an investment into a certificate at the craft or the diploma level would be instrumental for employment in this sector, even though recruitment practices continue to be based on personalised relationships.[891]

As could be expected, donor agencies were critical towards the growth of state-funded vocational education and training; particularly the World Bank criticised that courses were too academic and were not catering to the needs of the labour market.[892] These concerns were reflected in many reports by local experts and even by the authors of the first Poverty Reduction Strategy Paper, who were calling for a more “market driven skill formation”.[893] But despite this critique and despite the fact that, though the growth of vocational and technical training since 1997 had been enormous, it only contributed 3 percent to the total number of students enrolled at the secondary level in 2005, the social demand for the vocationalised programmes at the secondary level could not be reversed and the fact that social demand was rather

888 Ibid., p. 31
889 Rahman (2002), p. 86
890 On the ratio of wages of skilled to unskilled wages see World Bank (2006c, p. 9); on recruitment strategies in the garment industry see Ibid. (p. 26).
891 Saha (2003), p. 182
892 World Bank (2000c), p. 26
893 Ahmed et al. (2005), p. 27, Government of Bangladesh (2005), p. 77

oriented towards academic contents than towards practical skills training complicated adaptations along the lines of market driven skill formation.[894] Nevertheless, the critique by the donors was translated into the formulation of new projects funded by UNESCO, ADB and the European Union, all of which aimed at improving the relevance of the skill training programmes by the public agencies. One of their main concerns was also to involve private sector representatives in the process of developing skill standards and curricula.[895] At the same time, this involvement indeed increased quite independently from donor projects. On the one hand, some of the private training centres started to approach the BTEB, as they wanted to have their curricula approved by the board to boost their own reputation on the training market, which, especially in the urban areas, had become tremendously more competitive. Thus, the curriculum developers of the BTEB gained contacts to trainers, many of which had worked in the respective trades for a long time. On the other hand, some employers in the private sector had themselves become interested in getting involved into the development of curricula, for instance – as we will see – the ones from the garment industry.

894 World Bank (2006c), p. 12

895 For UNESCO funded student activity sheets aimed at enhancing the practical aspects of training, see Directorate of Technical Education (2006); for the involvement of the private sector in curriculum development in proposed projects by ADB and the Delegation of the European Commission, see Asian Development Bank (2008a, p. 3), Eco (2006, p. 26).

11 The development of the garment production regime in Bangladesh

11.1 Industrial development before economic liberalisation

Prior to the arrival of the British in Bengal in 1756, this part of India had been its most industrialised one. Dhaka itself was an important centre of textile manufacture that flowered under the patronage of the Mughal rulers and was famous for its varieties of Muslins, finely woven cotton clothes that were exported to many parts of the world.[896] This industry, which was almost entirely in the hands of Muslims, virtually collapsed after the British began to import machine-made cloth from England and to establish Calcutta as the main centre of both administration and industry.[897] Textile related economic production in Bengal remained important but instead of cotton fabric, jute was now increasingly being exported to Western markets.[898] As many other parts of the colonial world, Bengal now became an exporter of primary goods. In most of the 19th century, the British pursued a laissez-faire approach to industrial development, which reduced economic opportunities for the Muslims and thus furthered the division of the economic life along ethnic lines. Industrial production and trade was increasingly controlled by British entrepreneurs, who were growing tea, ran the inland waterways and exported jute.[899] But also Hindu communities got involved into the intermediary trade and started their own industries, partly as joint ventures with the British, in the pharmaceutical, petroleum and the textile sectors.[900] The growing economic power of these groups of entrepreneurs corresponded with their increasing political leverage that they exerted through ethnically distinct chambers of commerce, which were represented in the legislative bodies of Bengal and were decidedly more influential than the chambers of the few Muslim entrepreneurs.[901]

Even though jute became the main export commodity, the textile industry remained important in Bengal but it now consisted of mechanised spinning and weaving mills operated by both British and Indian entrepreneurs. Most factories operated with English machines and, for many decades, strongly depended from European technicians,

---

896 Quddus and Rashid (2000), p. 61
897 Ahmed (2003), p. 17, Baxter (1997), p. 37, Quddus and Rashid (2000), p. 61
898 Baxter (1997), p. 37, Reza et al. (1987), p. 28
899 Sobhan (1993), p. 161
900 Baxter (1997), p. 37, Reza et al. (1987), p. 33, Sobhan (1993), p. 161
901 Baxter (1997), p. 37

many of which had come to install the machines and subsequently started to run the operations and to train up local staff.[902] But the textile industry in India soon suffered from slow technological modernisation and the inefficient use of new technologies and it thus increasingly lost its competitive advantage for the benefit of the British manufacturers.[903] This problem was exacerbated when, towards the end of the 19th century, many firms began to reduce the share of expatriate staff and employed more local technicians in senior positions.[904]

Despite the fact that the liberal policies adopted by the British in the 19th century were partly replaced by more interventionist strategies after 1900, the colonial rule in Bengal ended in the actual de-industrialisation of an entire region, where investment in private enterprise was considerably lower than in other parts of the colonial world.[905] The partition of India further accentuated this problem as it left East Pakistan devoid of Calcutta and its hinterland, the economic centre of Bengal. Thus, in 1947, only ten cotton mills, five sugar mills and one cotton factory were operating on the territory of this part of Pakistan.[906] Above all, the ownership of these firms reflected the ethnical fragmentation of the country, with no single modern industrial enterprise owned by a Bengali Muslim.[907]

During the first few years of Pakistani independence, the post-colonial government continued the laissez-faire economic policies of the British. Soon, the imports resulted in a shortage of foreign exchange that forced the government to introduce a number of rules and regulations which aimed at strengthening the industrial base of the country. Similar to many other countries at that time, the country embarked on an import-substitution strategy that aimed at redistributing the resources from agriculture to industry.[908] In contrast to many other developing countries pursuing this route of economic development, the Pakistani government, however, emphasised private sector led economic development that was facilitated by government intervention.[909]

---

902 Kiyokawa (1983), pp. 116-120
903 Ibid., p. 98
904 Ibid., p. 117
905 The root causes of de-industrialisation in colonial India are a matter of debate. Especially Indian historians writing on the economic development of India under British rule agree that de-industrialisation in India was a consequence of colonial rule, see e.g. Roy (2002b). Other authors, however, attribute the reasons for de-industrialisation to other factors; see e.g. Clingingsmith and Williamson (2008); for the low level of private investments in Bengal see Reza et al. (1987, p. 28).
906 Ahmed (1997), p. 517
907 Sobhan (1993), p. 162
908 Ahmad (1993), p. 204
909 Loc. cit.

This Pakistani appropriation of state sponsored capitalism was based on a comprehensive system of government patronage, at the centre of which was the East Pakistan Industrial Development Corporation (EPICD).[910] The EPICD, consigned to develop industries in sectors for which private entrepreneurship and investment were not available, provided entrepreneurs with loans on soft terms and set up state-owned enterprises that were subsequently disinvested to private entrepreneurs.[911] The textile industry particularly profited from the funds of the EPICD, which was interested in strengthening an industry that processed the increasing amount of cotton from Pakistan.[912]

The region gaining most from government backed industrialisation was Karachi and its surroundings.[913] In contrast, industrial development in East Pakistan was less extensive. In 1964, the industrial sector contributed no more than 12 percent to East Pakistan's GDP, whereas the agriculture sector accounted for nearly 60 percent.[914] Despite the low extent of industrialisation in this wing of Pakistan, the industrial sector was growing, and similar to the western part of the country industrial growth was based on the expansion of the textile sector: The first large industrial enterprise in this part of the country was a jute mill, which was opened up in 1949.[915] Subsequently, a couple of cotton textile mills were established in and around Dhaka by the government and by representatives of several trading castes that had migrated to East Pakistan from Calcutta, Bombay, Burma and even East Africa.[916] The private entrepreneurs often had their trader-cum-industrial houses based in West Pakistan, where they had easy access to the patronage provided by public servants.[917] By the end of the 1960s, a few families located in West Pakistan owned more than 47 percent of the industrial assets in East Pakistan, whereas 34 percent were controlled by the EPIDC, 18 percent by Bengali Muslims and one percent by foreign multinational companies.[918] Lacking direct access to the public servants based in West Pakistan, the Bengali entrepreneurs were marginalised not only in terms of numbers but also in

---

910 Huq (1995), p. 60
911 Sobhan (1993), p. 163, Id. (2005), p. 11
912 Amjad (2005), p. 387, Brecher and Abbas (1972), p. 107
913 Ahmad (1993), p. 204
914 Ahmed (1997), p. 570
915 Ibid., pp. 580-583
916 Chowdhury (1985), pp. 49 & 53
917 Sobhan (1993), p. 205
918 Kochanek (1993), p. 73

terms of political influence.[919] This unequal industrial development considerably contributed to the alienation of the population of East Pakistan from the ruling elite in the western part but also furthered a sceptical attitude towards capitalist development among the elites in the eastern part of Pakistan.[920]

After the war in 1971, Mujib's government faced the challenge of having to rehabilitate a war ravaged economy without being able to fall back on a sufficiently experienced class of entrepreneurs: Many industrial enterprises had, before the war, been owned and managed by non-Bengali entrepreneurs and many of them had subsequently left the new country for the remnant part of Pakistan or for India.[921] The few Bengali entrepreneurs, mostly concentrated in the jute and the textile industry, were a class of first generation entrepreneurs with limited experience that had been inducted to the industry through their personal contacts to the public service.[922] In its first development plan, the new government therefore announced that it would promote industrialisation through import-substitution and rigid state-centred economic planning that would rely on state-owned enterprises.[923] As private sector growth was considered the root of inequitable economic development, the new government passed the Abandoned Property Act and thus took possession of factories abandoned after the war and re-established them as state-owned enterprises.[924] Furthermore, the government did not allow private investments to exceed Taka 2.5 million.[925] Many of the state-owned enterprises initially performed quite well. Soon, however, these industries started to suffer from predating managers, many of which had been employed because of their personal links to Awami Leaguers in the public service.[926] This tendency particularly pertained to the textile sector, which was entirely centralised under the Bangladesh Textile Mills Corporation.[927]

In these years, Bangladesh also saw the first exports of garments. Up to that point, the local garment production had been concentrated in the hands of a few tailoring shops producing small quantities for the local market.[928] But in the early 1970s, the government sponsored Trading Corporation of Bangladesh started to export shirts

---

919 Sobhan (1993), p. 163
920 Ahmad (1993), p. 205
921 Humphrey (1992), p. 208, Sobhan (2005), p. 7, Yusuf (1985), p. 208
922 Sobhan (2005), p. 7
923 Siddiqi (2005), p. 75, Syeduzzaman (1995), p. 263
924 Humphrey (1992), p. 28
925 Kochanek (1993), p. 81
926 Sobhan (2005), p. 9
927 Lorch (1997), pp. 127f
928 Siddiqi (2005), p. 68

tailored in Dhaka to East European countries under counter-trade arrangements, and thus opened the doors for a new phase of export-oriented industrial development.[929]

11.2 The garment production regime before the imposition of garment quota

When General Zia came into power in late 1976, the economic situation of the country was tense: The foreign debt was high and the labour-absorption capacity of the economy remained low, which made growth of unemployment likely.[930] Most donor agencies, critical of Zia's predecessor's strategies, were of the view that the inward looking economic policies were an important reason for Bangladesh's sluggish economic development; they thus pointed out that their support would only continue if the new regime embarked on a more export-oriented and more private-sector led development strategy, which would help to considerably expand the industrial sector.[931] Many academics, researchers, civil servants and the few private entrepreneurs were of the same view.[932]

Under these circumstances, Zia started to gradually liberalise the economy and to build up the institutional foundations of a mixed economy, a strategy, which would be the core of the economic policies in the coming decades.[933] In contrast to Sri Lanka, however, the opening of the economy was not initiated by a comprehensive and cohesive package of radical economic reforms but was rather a process of incremental policy changes and ad-hoc decisions taken by the top-most civil servants and the president himself. In fact, the new government adopted the previous, clearly socialist development plan elaborated by Mujib's government with its emphasis on state-owned enterprises.[934] At the same time, the government started to dismantle the central role of the state in economic development by disinvesting a number of state enterprises and by expanding the opportunities for the private sector under direct government patronage.[935] One of the most central aspects of government patronage was the establishment of the donor-backed DFIs, through which potential entrepreneurs,

929 Ibid., p. 74
930 Quddus and Rashid (2000), p. 126
931 Mahmud et al. (2008), p. 3
932 Quddus and Rashid (2000), p. 78
933 Begum and Shamsuddin (1998), p. 97, Quddus and Rashid (2000), p. 78
934 Syeduzzaman (1995), p. 266
935 Quddus and Rashid (2000), p. 78, Sobhan (1993), p. 167, Syeduzzaman (1995), p. 266

many of which were to become staunch supporters of the emerging BNP, were provided with loans on soft terms.[936]

This hybrid development strategy was made more explicit in the Two Year Plan for the years 1978-1980. In fact, the textile industry was foremost on the minds of the economic planners, who hoped to spur its growth by partly privatising the sector.[937] But in the next few years, the government mainly denationalised some small enterprises, whereas most of the large, loss making public companies were retained. In 1981, the state still possessed all 59 cotton spinning mills, many of which were run in inefficiently and rendered BMTC one of the most indebted public agencies.[938] At the same time, the new regulatory framework and the establishment of DFIs facilitated the growth of the garment industry that had not been mentioned in the Two Year Plan at all.

Similar to Sri Lanka, the growth of the garment industry was not only a result of changes in the regulatory framework at the national level but also of the transformation of the global garment production regime. In the second half of the 1970s, the translocation process away from the NIEs had just started, thereby attracting buyers and manufacturers to source from South Asia, as these countries were still quota free.[939] Sri Lanka was one of the first South Asian countries to be involved in that process but buyers and investors soon showed their interest in Bangladesh as well, where labour costs were considerably lower than elsewhere in the region.[940] Furthermore, with the outbreak of war in Sri Lanka in the first half of the 1980s, expatriate business people involved there started to look for alternative production sites in Bangladesh and in some cases also motivated their suppliers to move to this country.[941] Bangladesh's increasingly open and export-oriented regulatory framework was certainly an additional incentive for buyers to source from this country. These institutions at both the national and the global level would subsequently build the institutional foundations of the garment production regime in Bangladesh.

In contrast to the Trading Corporation of Bangladesh, the first private manufacturers of garments did not export to socialist countries in Eastern Europe but to the US and

---

936 Sobhan (1993), p. 172
937 Planning Commission (1978), p. 153
938 Lorch (1997), p. 128
939 Gereffi (1999), p. 49
940 Khundker (2002), p. 26
941 Dr. Martelli Associates (1998), pp. 105-107, Khundker (2002), p. 26, BD_Int_Firm09_Representative2 (p. 2/l. 25-27)

to European countries, which had imposed quota on some of East and Southeast Asian economies. Initially, many manufacturers producing for the Bangladeshi local market were approached by buyers from the NIEs, especially from Hong Kong, which promised them to source their garments and to share a part of the profits. Even though the Bangladeshi counterparts had some experience in manufacturing for the local market, companies like Reas Garments and Jewel Garment were lacking the financial capital, the technology and the skills to enter the export business.[942] These drawbacks were mitigated by some of the new regulations: On the one hand, access to loans for export-oriented production was facilitated by the DFIs.[943] Even though these development banks approved many unviable projects and thus produced a large group of later defaulters, it was exactly the DFIs' lax lending practices that allowed not only previous manufacturers but also many members of the urban middle-classes, ranging from former bureaucrats to retired army personnel and professionals, to enter the industry as entrepreneurs, although most of them were lacking experience in trade or industry.[944] On the other hand, the more liberal regulations with regard for foreign investment opened the doors for joint-ventures, through which local manufacturers had more direct access to skills and technology of overseas partners. The real breakthrough of the Bangladeshi garment industry would indeed occur through this type of collaboration.

One of the most prominent early large garment factories in Bangladesh was Desh Garments, a mainly FDI-backed company, and its example is certainly instructive to understand why comparatively little foreign capital would flow into the country: Desh Garments was a joint-venture between Korean-based Daewoo and Nurul Quader, who was a former top civil servant with no industrial experience and was proposed to Daewoo as a potential partner by Zia or some of his associates.[945] As Bangladesh did, at that time, not allow the establishment of entirely foreign-owned companies, the partners agreed on a five-year collaboration in the production and export of garments. Daewoo also hoped that Quader would be instrumental in extracting the necessary privileges from administrators still unfamiliar with export industries. In 1980, the first factory was opened in Chittagong and Daewoo started to transfer both technology and skills to Bangladesh but after less than two years, Daewoo withdrew from

942 Quddus and Rashid (2000), pp. 59-62
943 Sobhan (1990), pp. 59 & 61, Id. (1993), p. 208
944 Quddus and Rashid (2000), p. 81; on the beginnings of entrepreneurs without industrial experience see e.g. BD_Int_Association1_Representative1 (p. 2/l. 34-38).
945 Quddus and Rashid (2000), p. 195

Bangladesh.[946] Many of the staff trained by Daewoo subsequently left Desh and were poached by other companies or established their own ventures.[947] The exact reasons for Daewoo's departure are a matter of debate. Certainly, however, the foreign investors realised that in case of legal disputes their own interests would be compromised, all the more as the operations of Desh had rather been based on tailor-made agreements with the administration than on formal regulations. This signal was also understood by other potential investors, who would now prefer not to get involved into production themselves but to only source from Bangladesh, relying on indigenous suppliers with their own capital.

By the time General Ershad came into power in 1980, the Bangladeshi garment entrepreneurs had come into a position, where they not only unilaterally depended from the politicians and public servants but could themselves extract policy concessions.[948] At the same time, Bangladesh's dependence from aid had been rising continuously, rendering the government more open towards the advice of donors, which were of the view that Zia's support of export-oriented and private sector driven economic development had not been sufficient.[949] It was mainly because of the pressure emanating from these actors that General Ershad considerably adapted the regulatory framework of the mixed economy when he proclaimed his New Industrial Policy in 1982. In this document, the government stated that it aimed at expanding the opportunities for private sector led and export-oriented industrialisation in several ways. First, it announced to accelerate privatisation of public sector enterprises. In fact, within a couple of years, banks and insurances were de-nationalised and opened for investments from the private sector;[950] in the textile sector, 22 state-owned mills were privatised, whereas 37 mills remained in the hands of the public sector.[951] Second, the government announced to improve the infrastructure for export-oriented industries and thus established the Bangladesh Export Processing Zones Authority (BEPZA), under the auspices of which a first Export Processing Zone was started in Chittagong in 1983, followed by another one in Dhaka in 1993.[952] Third, the government presented a number of measures which aimed at a further incremental opening

---

946 Ibid., pp. 62f

947 Islam and Quddus (1996), p. 170; for entrepreneurs poaching the skilled technicians from Desh Garments, see e.g. BD_Int_Association1_Representative1 (p. 2/l. 11-14).

948 Quddus and Rashid (2000), p. 77

949 Mahmud et al. (2008), p. 3

950 Syeduzzaman (1995), p. 267

951 Lorch (1997), pp. 128f

952 Ahmed and Sattar (2003), p. 169

of the economy: Import controls were relaxed and the regulations for trade and industrial investment were considerably deregulated, which was to further increase the opportunities for private sector investments.[953] Nevertheless, FDI was restricted in order to protect the local industries.[954]

Even though the New Industrial Policy of 1982 intended to promote non-traditional exports, there was, similar to the Two Year Plan, no explicit policy framework that planned to foster the growth of the garment industry.[955] Still, the respective regulations were developed on an ad-hoc basis, extracted to a great deal by an increasing number of entrepreneurs. One of the most crucial lobbyists for the interests of the garment entrepreneurs was Nurul Quader, the head of Desh Garments, who had direct access to decision makers.[956] Thanks to their lobbying power, entrepreneurs were allowed to import duty-free machinery to produce garments for export purposes, to open back-to-back letters of credit and to use bounded warehouse facilities, in which imported fabric was to be stored.[957]

In 1982, a small number of twelve garment entrepreneurs, some of which had excellent ties to the political, administrative and military establishment, decided that their lobbying activities should be more coordinated and thus founded the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).[958] In its early years, BGMEA was a weak organisation that only consisted of a few entrepreneurs, and many of the lobbying-activities were still undertaken on an individual basis. This individualistic behaviour of garment manufacturers was, however, a common strategy of private sector entrepreneurs in Bangladesh, as more corporate action meant that private access to politicians and bureaucrats had to be shared with potential competitors.[959] Over the course of the years, however, corporate action would turn out to be more attractive for garment entrepreneurs and BGMEA became the single most important corporate actor influencing Bangladesh's garment production regime.

At the time when employers in the garment industry started to organise themselves at a more corporate level, there was no similar development on the labour side and the labour movement thus remained politicised and fractionalised. Under the reign of

---

953 Ahmad (1993), p. 209, Syeduzzaman (1995), p. 268
954 Mlachila and Yang (2004), p. 24
955 Siddiqi (2005), p. 75
956 BD_Int_Association1_Representative3 (p. 3/l. 20-21)
957 Quddus and Rashid (2000), pp. 74f
958 Ibid., pp. 67 & 193, BD_Int_Association1_Representative3 (p. 2/l. 40-42)
959 Sobhan (2002a), p. 127

Mujib alone, 638 trade unions had been registered, many of which were under the control of the state apparatus and the Awami League. Under Zia, who, together with his BNP, started to establish and patronise his own trade unions, the labour movement was increasingly fractionalised along party lines and started to be instrumentalised to muster votes in elections.[960] This development of organised labour resulted in a virtual standstill in the domain of labour policy making: Whereas the regulations with regard to private-sector investment were considerably changed after Zia's coming into power in 1976, there was no adaptation of labour policies. The country's labour law, which mainly consisted of regulations based on the work of the Royal Commission of Labour in 1931 and on the Industrial Relations Ordinance of the Pakistan period, was not changed, as there, in fact, was no political pressure to do so.[961] Only in 1985, after considerable growth of the garment industry, the government for the first time fixed the minimum wage for garments workers at Tk. 627 per month, which was the lowest minimum wage in the formal industrial sector at that time. But the government avoided to mention any regulation for apprentices, thus providing the entrepreneurs with ample scope to continuously employ workers below the minimum wage.[962]

In the years when Bangladesh's garment industry exported to western countries without any quota restrictions, the country's GDP was growing at a higher pace than in the previous periods: Between the financial years 1980/81 and 1984/85, the annual average GDP growth rate was at 3.7 percent, which was particularly owed to the growth in the industrial sector, which was at 5.7 percent.[963] Growth in the agricultural sector was at comparatively low 2.7 percent, even though the value added in agriculture could be considerably increased.[964] Growth in the industrial sector mainly resulted from the expansion of the garment and leather industry but also from that of the fish and seafood processing industry.[965] At the same time, the contribution of jute, the traditional export crop, to GDP declined from 25 percent in 1973 to 12.5 percent in 1984, which was mainly a result of the declining demand on the world market.[966] The growth of the garment industry only started towards the latter part of this period:

---

960 Ahmed (1998), pp. 253-258
961 Ibid., pp. 241f
962 Zohir (2001b), p. 53
963 Mahmud et al. (2008), p. 3
964 Ahmed (2006), p. 105, Mahmud (2006), p. 23
965 Bakht (2002), p. 119
966 Ibid., p. 118, Planning Commission (1985), p. 239

In 1981/82, there were no more than 25 factories.[967] In 1983/84, their number was still at only 47 but it increased to 487 in the financial year 1984/85, which was owed to the outbreak of the civil war in Sri Lanka.[968] Geographically, the garment industry was entirely concentrated in the areas of Dhaka and Chittagong.[969] Most of the FDI flowing into the country was invested in the EPZ of Chittagong; but even though the years between 1975 and 1983 had seen a steady increase of foreign investments, mainly originating from South Korea, Japan and Hong Kong, the influx of FDI was not significant compared to other countries in the region.[970] After 1983, when the garment industry started to grow at an unprecedented pace, the share of FDI in the total of invested capital in the garment industry declined even more; in that year, there were no more than 15, though large FDI-backed joint venture companies, each of which was exporting more than one million pieces of garments annually.[971]

In the mid-1980s, the industry thus consisted of a number of large firms operating in the EPZ and a high number of smaller firms outside the zone.[972] Despite the low productivity of most of the smaller, locally owned firms employers made ample profits, which were estimated to be at around 16 to 22 percent of the total value of the exported garments.[973] This was, of course, only possible because wages were far lower than in other parts of the world. In fact, average hourly wages in Bangladesh did not exceed US $ 0.25, which was low even compared to Sri Lanka, where employers paid US $ 0.35 on average.[974]

In 1985, the industry employed approximately 80’000 persons, the majority of them being female machine operators, who earned considerably less than their male counterparts, even if controlled for their educational backgrounds.[975] Overall, many of the female workers came from poor families, were unmarried, had undergone little formal education and had migrated to the towns from rural areas.[976] The majority of them were young, i.e. below 19 years, even though there were some differences in this regard between firms within and outside the EPZ, the latter employing a larger share

---

967 United Nations Development Programme and International Labour Organization (1986), p. 7
968 Khundker (2002), p. 25
969 Ahmad (1989), p. 95
970 On the origin of FDI see Bhattacharya (1998, p. 19); on the relatively low influx of FDI see Sobhan and Bhattacharya (1988, p. 15).
971 Ahmad (1989), p. 86
972 Islam and Quddus (1996), p. 71
973 Ahmad (1989), p. 101
974 Ibid., p. 102
975 Ibid., p. 101, Rahman (2001), pp. 30f
976 Paul-Majumder and Begum (2006), p. 15

of young workers.[977] Employment of women in the formal, monetised sector was, at that time, a new phenomenon in Bangladesh: Traditionally, the activity space of most women living in rural areas of Bangladesh had been restricted by patriarchal family structures, which required the females to spend their lives in the families and the village settlements (*bari*). However, the population growth and the subsequent rise in the proportion of landless households to nearly 45 percent in the year 1984 put these families under considerable pressure to release young women for wage employment.[978] Initially, employment sought after by women from landless families was in the agriculture sector but with the growth of the garment industry, migration to larger towns became a viable alternative, even though opportunity costs of working in the urban areas were considerably higher than in the rural areas. It was mainly for these socio-economic reasons that employers primarily employed women as operators and thus made the share of female employment in the garment industry increase to much higher levels than in other industries, such as rice milling and jute processing.[979]

Labour conditions in most garment factories did not meet the standards that had been spelled out in the existing labour regulations.[980] The workers were expected to work longer hours than prescribed by law and they were not compensated accordingly. In 1990, the average salary of a female sewing helper was at Tk. 438 and was thus still below the minimum wage of Tk. 627, which had been fixed as a minimal wage for operators in 1985.[981] The political will to correct this situation was lacking, as employers were eager to exploit the abundant supply of surplus labour in the rural areas and as trade unions were controlled by political parties whose leaders did not want to lose the political support by the emerging class of private entrepreneurs. The power of the labour administration to implement the existing labour laws in the growing number of production units in the private sector remained weak, as the respective administrative unit was not allowed to employ more than ten inspectors in charge of all the garment units, a situation, which remained the same until the years after 2000.[982]

---

977 Ibid., p. 16
978 Paul (1992), pp. 2-9
979 Rahman (2001), p. 33
980 Ahmed (1998), p. 244, United Nations Development Programme and International Labour Organization (1986), p. 12
981 Paul-Majumder and Begum (2006), p. 37, Zohir (2001b), p. 53
982 Stuart-Smith and Shefali (2003), p. 18

11.3 The garment production regime under the quota regime

Bangladesh experienced the imposition of garment quotas by the US, Canada and many European countries from the mid-1980s. In 1985, the US-government declared that it would restrict the imports from Bangladesh to 500'000 pieces annually, which sparked protests from both the Bangladeshi government and the concerned entrepreneurs; the authorities in Washington subsequently agreed on a total annual quota of 4.2 million pieces per year.[983] The imposition of quotas, even in its softened version, caused panic among the manufacturers, who, up to that time, had concentrated on four simple items only.[984]

Whereas the imposition of quotas by the more industrialised countries came as a threat to the garment manufacturers, there was another global level trend, which was more appreciated by the garment entrepreneurs in Bangladesh: Many of Bangladesh's donor countries pressed for more liberalisation and deregulation. In this context, the World Bank started to finance a Textile Strategic Management Unit based at the Ministry of Textiles from 1989 onwards, which would elaborate plans for the privatisation of textile mills in the public sector and for the further removal of import barriers with the intention to render both the textile and the garment industry of the country more competitive.[985]

Both of these trends strengthened the further organisational development and political leverage of BGMEA, the association of the garment manufacturers, whose impact on policy-making had been minimal in the years before the imposition of quotas. Now, on the one hand, the existing entrepreneurs were pressed by the emerging quota regime to act in a more concerted manner, and it gave them an opportunity to assist the government in trade negotiations with the respective governments, which the Ershad regime considered to be increasingly important for the future economic development of the country. Representatives of BGMEA were now more formally involved and contributed to Bangladesh being provided with higher quotas then previously declared by the US government.[986] On the other hand, the increasing pressure by the multilateral agencies for more deregulation and privatisation reduced the influence of the textile mill owners, organised in the Bangladesh Textile Mills Association

983 United Nations Development Programme and International Labour Organization (1986), p. 13
984 Loc. cit., BD_Int_TrainOrg06_Representative1 (p. 3/l. 1-2)
985 See, for instance, Planning Commission (1989, pp. 280f).
986 BD_Int_Association1_Representative5 (p. 2/l. 49-51)

(BTMA), on whose political support the Ershad government strongly relied.[987] During the Ershad regime, the political influence of BGMEA was thus rising constantly, and since the coming into power of the democratic administrations in 1991, a high number of former presidents and other senior representatives of this organisation have become members of parliament or ministers in the civilian governments.[988] One of the first former representatives of BGMEA entering the cabinet of ministers was a retired major, Abdul Mannan, who, as the Minister of Textiles, had to handle many of the delicate issues regarding the further deregulation of the textile sector and thereby clearly sided with the interests of BGMEA and the agenda of the World Bank, whose Textile Management Unit came under his purview.[989]

Many of the policies and regulations devised in the years between 1985 and 1995, when the quota regime was in full swing, favoured the interests of the entrepreneurs united in BGMEA. One of the first reactions of Ershad's government to the imposition of quotas was to restrict entry into the garment sector in 1984;[990] this was a virtual protection of the existing entrepreneurs and provided them with ample scope to expand their business under non-competitive conditions. These regulations were supplemented by a number of incentives spelled out in Ershad's Revised Industrial Policy of 1986, which further reduced competition between existing entrepreneurs.[991] After 1991, when the Ministry of Textile was under Major Mannan, further policy changes were introduced, which were aimed at improving the investment climate for garment manufacturers.[992] Most importantly, import restrictions were lowered despite considerable disputes between the owners of textile mills and the garment manufacturers, even within the cabinet. In the same vein, a number of textile and jute mills in the public sector were closed down against violent protest from trade unions, which were, however, not in a position to avert the decision.[993]

Between 1985 and 1995, BGMEA not only increased its lobbying power with regard to the formulation of policies but it also started to be directly involved into the respective administrative processes implementing industry related policies. One such in-

---

987 BD_Int_TrainOrg06_Representative1 (p. 7/l. 6-11)

988 On the strong linkages between BGMEA and national politics see BD_Int_Association1_Representative1 (p. 3/l. 11-13).

989 BD_Int_Association1_Representative1 (p. 3/l. 11-13), BD_Int_Firm08_Representative1 (p. 3/l. 21-22)

990 Zohir (2001a), p. 78

991 Siddiqi (2005), p. 75

992 Dowlah (1999), p. 38

993 Monem and Hasin (2001), p. 119

stance was quota allocation, a highly politicised administrative process, which had, in the first few years after 1984, been left in the hands of the administrators of the Ministry of Commerce, who allocated the quota on the basis of past performance but had ample scope to favour the entrepreneurs bribing them. After the departure of Ershad, the BNP government intended to make this process more transparent and thus formed the Quota Allocation and Monitoring Committee, under the rules of which five percent were to be allocated to new entrepreneurs.[994] This committee was formally chaired by a representative of the Export Promotion Bureau (EPB) but the representatives of BGMEA had a strong say in the allocation process.[995] This gave them the opportunity to keep quotas allocated to emerging competitors at a low level, which not only protected their own orders but also enabled them to make additional profits from selling their quotas to other entrepreneurs, including to those, who hadn't been allocated any quota by the committee.[996]

Beyond their role in the process of quota allocation, which enabled BGMEA members to keep potential domestic competitors at bay, they also started to have a strong voice on the Board of Investment (BOI), which allowed them to contain competition from potential foreign investors. Formally, this body was supposed to further the influx of FDI and had to approve any respective project; many of the applications were, however, turned down, as BGMEA, hostile towards more competition from overseas companies, used its political leverage by making respective recommendations to the official members.[997] Over the course of the years, BGMEA was, furthermore, permitted to formally assume administrative duties: In the early 1990s, BGMEA started to issue the utilisation declarations. On the basis of these documents, exporters were allowed to import raw materials that were used for the manufacture of garments. This administrative function involved processing thousands of applications by individual firms and required a high amount of staff to be housed in a central building in Dhaka, which was to virtually demonstrate the growing influence of the organisation.[998]

The years under the quota regime saw a further growth of the garment industry, with the number of garment factories rising from 753 in 1986 to 2353 in 1996.[999] By

---

994 Mlachila and Yang (2004), p. 24
995 BD_Int_Association1_Representative5 (p. 5/l. 35-38)
996 Mlachila and Yang (2004), p. 24, BD_Int_Association1_Representative5 (p. 5/l. 39-45)
997 Mlachila and Yang (2004), p. 23
998 Arnold (2007), p. 219
999 Khundker (2002), p. 43, United Nations Development Programme and International Labour Organization (1986), p. 7

the mid-1990s, the garment industry had thus overtaken the slackening jute industry as the main export sector, contributing 65 percent to the total value of exported goods in the year 1996.[1000] Growth was particularly strong in the knitwear sector, whose contribution to the garment exports from Bangladesh rose from 15.1 percent to 24.8 percent between the years 1990 and 1997.[1001] At the same time, Bangladesh now was one of the worlds largest garment exporters, becoming the seventh largest exporter to the US and the sixth largest exporter to the EU in 1997.[1002] In fact, between the years 1990 and 1997, the growth of the industry in Bangladesh was stronger than in other countries, such as Pakistan and China.[1003] As the growth of the industry was not based on the influx of FDI, its overall share in total investment in the garment industry declined to below 10 percent in the latter part of the 1990s.[1004]

11.4 The garment production regime during and after the phase out of quota

When the Agreement on Textiles and Clothing (ATC) was signed in the course of the Uruguay Round, Bangladesh's garment industry had become the most important foreign exchange earning industry in the country and had thus in a large way contributed to Bangladesh's growing trade dependence. Under the ATC, Bangladesh was, as all other garment exporting countries, allowed to constantly increase its exports to the countries still adhering to the rules of the MFA in the restricted categories starting from 1995 until the end of 2004, when the trade should be entirely liberalised.[1005] The coming into effect of the ATC was paralleled by the conclusion of negotiations with the European Union, in which it had been agreed upon Bangladesh's unrestricted access to the clothing market in the EU from 1995 under the Generalised System of Preferences (GSP). Whereas the phasing out of the MFA under the ATC meant that the competition among exporters to the US would constantly increase up to the year 2005, the GSP status implied that Bangladesh's garment exporters were given preferential treatment when producing for the EU and that they would thus become more competitive than exporters from countries outside the scheme. Despite preferential treatment by the EU, it was, however, easily conceivable for both policy-makers and

---

1000 Ahmed and Sattar (2003), p. 24, Kaur (2003), p. 258
1001 Zohir (2001a), p. 78
1002 Dowlah (1999), p. 35
1003 Dr. Martelli Associates (1998), p. 105
1004 Mlachila and Yang (2004), p. 7
1005 Weerakoon and Wijayasiri (2004), p. 252

manufacturers that competition among the exporting countries to the EU would remain high, as a number of other countries from the South Asian and the Southeast Asian Region were eligible for GSP status as well. One main aspect of concern was that the productivity in the Bangladeshi garment industry was comparatively low even though its wages still belonged to the lowest in the world. Observers were of the view that productivity of the industry should be increased by up to 50 percent in order to make the industry more competitive and to make sure that the exports to the US, which was still importing a major share of garments from Bangladesh, would sustain after the liberalisation of the garment trade in 2005.[1006]

The major outside pressure on the Bangladeshi garment industry at that time was, however, less related to productivity than to the labour conditions in the industry. In the eyes of both overseas governments and buyers, the most pressing issue was the pervading practice to employ children in garment factories. The child-labour issue had been on the minds of many observers in the importing countries since the expansion of the industry in this country, but only in the beginning of the 1990s the issue was taken up by US trade unions and subsequently brought to the attention of US Senator Tom Harkin, who proposed to the American congress to pass the Child Labour Deterrence Act in 1992.[1007] This act would have required importers of garments and other items to the US to make sure that these goods had not been produced by suppliers employing persons below the age of 15. Even though this act was never passed in parliament despite a number of further propositions by Senator Harkin in the 1990s, it caused considerable despair among both policy-makers and manufacturers, who feared that access to the American market would be drastically reduced once the bill would be passed.

In the latter part of the 1990s, other aspects of labour conditions, including low wages, safety at the work place and long working hours, became the main concerns of buyers. These actors began to ask their suppliers to adhere to internationally recognised standards, because they had come under the pressure by consumer organisations and by the global movements against bad labour conditions, whose reports on the working conditions in the country's clothing industry had experienced wide circulation.[1008] Outside pressure thus became considerably more effective than the

---

1006 Stuart-Smith and Shefali (2003), p. 17
1007 Lopez-Calva (2001), pp. 61f, Zohir (2001a), p. 81
1008 See e.g. Grumiau (2000).

frequent protests by local trade unions which were themselves pressuring employers to improve labour conditions.

Many of these issues emanating from changes of the global garment production regime were also addressed by donor agencies. The World Bank continued to fund the Textile Strategic Management Unit, through which it hoped to further liberalise the textile sector in Bangladesh and to thus strengthen the competitiveness of the textile and the garment industry. Furthermore, the World Bank and the IMF began to finance studies analysing, among other aspects, the potentials and the weaknesses of the garment industry; in some instances, these studies also commented on perceived weaknesses in the training processes in the industries and thus laid the foundations for the formulation of various donor-funded projects and programmes, which would financially support skill formation for the garment industry.[1009] These two organisations were, however, not the first ones to address training related issues: Already in the late 1980s, the International Labour Organization (ILO) had launched the first donor-funded project related to the garment industry in Bangladesh and thereby focused on skill formation of its workers. Through this project, ILO became the first donor agency to collaborate with BGMEA, an interaction, which was continued by further projects, the most crucial of which would be a project to reduce child labour in the garment industry.

These changes of the global garment production regime had a strong effect on the garment production regime in Bangladesh; again, one of the most visible effects of these changes was the further organisational consolidation of BGMEA. As we have seen above, the senior members of this organisation had acquired considerable political leverage through their organisation, which enabled them to influence the distribution of quota, to keep off competition from foreign investors and to adopt duties in administrative processes. In the mid-1990s, their leverage was further increased by the outside pressure concerning child labour and overall working conditions that made the senior members of BGMEA more seriously engage in collective action. At first, the organisation tried to counter the critics by a public relations campaign, which was followed by negotiations with the US-based Child Labour Coalition and diverse NGOs in July 1995.[1010] Under pressure to revert potential sanctions by the US,

---

[1009] The most important of these studies were Dr. Martelli Associates (1998), Gherzi Textile and Project Promotion and Management Associates (2002), Mlachila and Yang (2004); for remarks on training see e.g. Dr. Martelli Associates (1998, pp. 11, 131 & 178).

[1010] Quddus and Rashid (2000), p. 103

BGMEA thereafter signed a memorandum of understanding with UNICEF and ILO in 1995 that aimed at banning child labour from garment factories and at providing the former child labourers opportunities to attend schools.[1011] Even though the implementation of the project did not achieve all of its far-reaching goals, BGMEA began to be an important counterpart not only for the public authorities but also for donor agencies. This was a remarkable development insofar as, only a few years before, ILO had not continued with its garment related skill development project because BGMEA wasn't regarded as a reliable partner during the implementation process.[1012]

In addition to the attempts to rebut the concerns on child labour, BGMEA made visible moves to mitigate the critique concerning overall labour conditions in the Bangladeshi garment industry. In 1997, the organisation established a separate committee, the Labour Cell, that dealt with labour issues and was to solve labour disputes without involving the public authorities.[1013] At the same time, the organisation formed a Safety Cell, which was a further committee working on labour related issues. This committee mainly organised training programmes on safety measures in order to prevent major accidents in the factories and it had the duty to ensure that the firms of member companies adhered to the legal regulations.[1014] It was in these committees that entrepreneurs started to also collectively address issues related to skill formation. But as the committees were working along the agenda of their respective chairmen and were not coordinated from the board of BGMEA, there did not emerge any consistent BGMEA policy relating to skill formation but rather a series of hardly interrelated lobbying activities on a "daily problem solving basis", even when BGMEA opened a separate Human Resources Development Cell.[1015]

Despite its growing political weight, BGMEA remained a highly fractionalised organisation, which was lacking undisputed leadership. As the senior positions within the association, the presidency and the several vice-presidencies, provided opportunities to get involved into administrative duties, to have direct access to policy makers and, increasingly, to donors and to appoint close associates to the chairmanships of the different committees, these posts started to be highly sought after by the individual members of BGMEA. For this reason, the elections for the presidency became highly contested and politicised, with two semi-formalised camps opposing each

1011 Zohir (2001a), p. 81
1012 International Labour Organization and United Nations Development Programme (1995), p. 1
1013 BD_Int_Association1_Representative5 (p. 4/l. 43-44)
1014 Lohani (2007), p. 32
1015 BD_Int_Association1_Representative5 (p. 4 /l. 36-37)

other.[1016] On some occasions, the country's prime minister herself got involved into the election process within BGMEA and tried to make sure that one of her supporters would win.[1017]

The climax of this fractionalisation occurred in 1996 and was, again, a direct consequence of the changes in the global garment production regime. As discussed above, the EU awarded GSP status to Bangladesh; it thus provided unrestricted entry to the European market to those manufacturers whose garments were mainly assembled from locally produced yarn, fabric and accessories. Briefly after GSP status had been awarded to Bangladesh, one group of garment entrepreneurs, the knitwear manufacturers, became aware that the GSP facility would make their interests distinct from the ones of the manufacturers of woven garments. For these reasons they separated from BGMEA and formed the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), so they could address their shared agendas collectively.[1018] As, in fact, the knitwear sector was tremendously profiting from the GSP facility, a growing number of entrepreneurs ventured into this part of the garment trade and became members of BKMEA, which was thus increasingly put into the position to seriously compete with BGMEA. Not only did its lobbying power rise but also did it get access to donor agencies. Many of these foreign organisations were indeed open to cooperate with a new garment association, which they considered to be less politicised and run in a more professional way than BGMEA and thus to fund projects that were meant to bolster the competitiveness of the knitwear industry.[1019]

In the context of the phasing out of the MFA, there thus emerged a series of hardly interrelated donor-funded projects, which were initiated by aid agencies, approved by the government and generally warmly welcomed by the two associations. These projects normally either focussed on social and ecological aspects of the garment industry, on business development or on issues related to the trade-environment and infrastructure. Skill development was as an aspect of many of these projects, even though they considerably differed in terms of their approaches to this aspect of the garment production regime: The IMF, through its South Asia Enterprise Development Facility (SEDF), placed its emphasis on skill formation within the firms, whereas the Delegation of the European Commission to Bangladesh (EC) and the German gov-

---

1016 Quddus and Rashid (2000), pp. 132 & 194
1017 BD_Int_Association1_Representative5 (p. 6/l. 3-4)
1018 Bakht et al. (2006), p. 3
1019 For the high number of donor projects that are partly implemented through BKMEA see Kabir and Denecke (2007).

ernment, through GTZ, more concentrated on formal pre-employment training outside the firms.[1020] The World Bank, still the most important donor of Bangladesh abstained, however, from getting involved in any project directly benefiting the garment industry, as it was strongly of the view that the focus on low-value garment production should be retained to a considerable extent and that higher-value production would best be enhanced through a higher influx of FDI, which would also bring in the necessary technology and skills.[1021]

Whereas the national garment production regime after 1995 had been strongly influenced by the organisational development of associations and, increasingly, by the intervention of donor agencies, the government of Bangladesh did, up to 2005, not introduce any further regulations which would have tremendously altered the overall institutional foundations of the garment trade in the country. For some years, the government seemed to support the idea to increase the influx of FDI to the garment sector, when it permitted the Korean-based Youngone Corporation to set up a privately run EPZ in Chittagong. This would certainly have meant a considerable policy change. But despite having formally granted permission, the administration, obviously under the pressure of the major associations in the garment industry, never issued a licence that would have allowed the company to establish the EPZ.[1022]

In contrast to previous periods, the first years of the new millennium saw the birth of a milestone in labour policy: In 2006, the government introduced the Bangladesh Labour Law 2006 that reduced the number of labour related acts and ordinances from approximately fifty to one. This document was the result of more than 14 years of negotiations between politicians, entrepreneurs, labour representatives and UN agencies, namely the ILO.[1023] Even though the law itself reflected many concerns of the critics of the labour conditions in the garment industry and indeed integrated more than 85 percent of the requirements of the most common codes of conduct for the garment industry, all observers understood that the implementation of the new law and thus the enhancement of labour conditions in the industry would take a considerable amount of time.[1024]

1020 Kabir and Denecke (2007), p. iii
1021 Kee (2005), World Bank (2005a), p. 15
1022 Hossain (2002), p. 169, Shawkat Ali (2006)
1023 Multistakeholder Forum Bangladesh for Garments (2007a), p. 10, SEBA Limited and Ministry of Labour and Employment (2007), p. 1
1024 Multistakeholder Forum Bangladesh for Garments (2007a), p. 10

In the first years after the ATC had come into effect in 1995, the garment industry continued to grow a high pace, with the share of garment exports of the total value of exports rising from 65 percent in 1995 to 73 percent in 1998.[1025] The growth of the garment industry thus strongly contributed to the growth of GDP, which was at an annual average of about 3.2 percent in the 1990s.[1026] Nevertheless, the formalised manufacturing sector continued to be small, contributing no more than 12 percent to the GDP even after 2005.[1027] The agricultural sector remained important, contributing 20 percent to the GDP, which was, however, exceeded by the non-agricultural informal sectors, which contributed more than 40 percent contribution to GDP after 2005.[1028]

The development of the garment industry was slowed down by the Asian Financial Crisis after 1997 and was tremendously challenged by the further liberalisations under the ATC in 2002, from which it, however, recovered again in 2003.[1029] As in the period from 1985 to 1995, the share of garment exports to the US continued to drop relative to exports to the EU after 1995, even though the total value of garment exported to the US was still increasing.[1030]

In contrast to the market of the EU, that of the US was still protected by quota until 2005 and, therefore, Bangladeshi exporters to the US continued to concentrate on the production of quota restricted items: In 2004, when the garment industry had already been considerably liberalised in two steps and was set to be entirely liberalised in the following year, more than 67 percent of garment manufacturers exporting to the US were still producing quota restricted items and were thus poised to meet with strong competition in the year after.[1031]

As already in the years before 1995, the total value of the output from the knitting sector continued to increase, with its share in the total value of garment exported rising from 17 percent in 1995 to 40 percent in 2003.[1032] This growth mainly resulted from the GSP facility the EU had granted to Bangladesh and from a government scheme, through which manufacturers were provided with a 25 percent incentive on

---

1025 Ahmed and Sattar (2003), p. 24, Quddus and Rashid (2000), p. 49
1026 Mahmud et al. (2008), p. 6
1027 Ibid., p. 8
1028 Loc. cit.
1029 Mlachila and Yang (2004), p. 8
1030 Kee (2005), p. 7
1031 Ibid., p. 8
1032 Mlachila and Yang (2004), p. 8

the value of knit fabric manufactured by using locally produced yarn.[1033] Furthermore, growth of this industrial sector was also rooted in some of its technical advantages: Most importantly, manufacturers of knitted garments can produce with shorter lead times, i.e. the total period of time between the initiation of a production process and its completion, as they are less dependent on an on-time delivery of raw materials than the manufacturers of woven garments. In addition, the machinery to manufacture yarn and fabric used for knitwear is, in any event, cheaper than the respective production for the woven sector.[1034]

In comparison to other countries in South Asia, the liberalisation of the garment trade in 2005 resulted in further growth of the industry in Bangladesh, with the overall value of garments growing by 17.5 percent in 2006/07.[1035] Growth was particularly strong for large enterprises that expanded their business by 23 percent in 2004/05.[1036] The continuing growth of the industry also led to increasing profits by the entrepreneurs, which went up by 16.7 percent in the financial years 2004/05 alone. The ones profiting most from this trend were the manufacturers of knitwear and, to an even higher extent, those producing in the EPZ.[1037] The overall output of garments and the profits were rising even though prices of garments were slackening by 10 percent between 2005 and 2007 alone and even though China dramatically increased its overall textiles and clothing exports.[1038] Bangladesh thus could sustain growth in the industry mainly due to price cutting and rationalisation.[1039]

Despite considerable growth of the garment industry since the early 1980s, the total employment in this industry still contributed only 2.5 percent to the total employment in 2000 and thus not exceeded that of the total employment by the public sector that was at 4.5 percent.[1040] The garment industry contributed strongly to employment generation in the manufacturing sector, the total employment of which, however, was continuously decreasing between 1990 and 2000 both in relative and absolute terms.[1041] A major part of the labour market in Bangladesh remained in the informal

---

1033 Siddiqi (2005), p. 91
1034 Dr. Martelli Associates (1998), p. 79, Siddiqi (2005), p. 91
1035 Centre for Policy Dialogue (2007), p. 5, Lohani (2007), p. 31
1036 Centre for Policy Dialogue (2007), p. 5
1037 Ibid., p. 7
1038 On the growth of the industry see Centre for Policy Dialogue (2007, p. 5), Lohani (2007, p. 31); on the development of prices see Centre for Policy Dialogue (2007, p. 5); for details on Chinese imports to the EU see Sayem et al. (2007, p. 6).
1039 Sayem et al. (2007), p. 7
1040 Saha (2003), pp. 182f
1041 Muqtada (2003), p. 330, Saha (2003), p. 172

sector, even though its contribution to total employment decreased from 87 percent in 1996 to 81 percent in 2000.[1042] The agriculture sector still absorbed about 63 percent of all employed people in 2000 and even grew in the 1990s.[1043] As the overall population of the country, however, continued to grow, employment in the urban areas was rising as well and this to a considerably stronger extent than in the rural areas.[1044]

Studies on the labour conditions of workers in the garment industry documented that they remained harsh. One study argued that 62 percent of helpers earned less than Tk. 1500 a month, that 75 percent of the workforce worked for 11 to 12 hours or longer per day and that more than 50 percent of workers had only one or no holiday per month.[1045] Others showed that many workers in the industry were missing employment contracts and appointment letters, which rendered them vulnerable to dismissal without previous notice.[1046] A number of these issues were addressed by the Labour Law 2006 but many observers doubted whether the new regulations would result in labour conditions being improved: The means of the public authorities to monitor implementation of the new regulations remained weak, with 53 factory inspectors assigned to work for all the economic sectors taken together.[1047] Observers therefore assumed that the garment manufacturers would continue to follow the codes of conduct by their own buyers, the approval by which is more vital for the short-term survival of an industrial unit than an approval by a government authority.[1048] These codes of conduct would, however, also affect the in-firm skill formation arrangements of a growing number of firms. How this occurred, will be one of the topics of the next chapter.

1042 Ibid., p. 174
1043 Muqtada (2003), p. 329
1044 Saha (2003), p. 172
1045 Ahmed (2007), p. 14
1046 Hussain (2007), p. 18
1047 Chowdhury and Denecke (2007), pp. 14f
1048 Loc. cit.

12 The development of the skill formation regime of the garment industry in Bangladesh

12.1 The development of the in-firm skill formation regime

Both the traditional handloom industries in the rural areas and the more modern textile industry that expanded in the urban areas of Bengal towards the end of the 19th century basically relied on an apprenticeship-type of skill formation arrangement. On the one hand, the young weavers in the villages were trained by experienced craftsmen and thus took up the trade by learning through practice.[1049] On the other hand, many of the mills operating in the urban areas were built up and run with the help of staff from Britain, who had themselves hardly undergone any formal technical education but had been trained as apprentices in British mills and had come to both British and Indian owned factories to install the machinery and to subsequently oversee and train the local staff.[1050] Even though, as we will see in section 12.2.1, the skill formation regime of the textile industry in this geographical region was complemented by more formalised, school-based training programmes, apprenticeship training would remain important. As the garment production regime was operated, from the early days of garments exports, under conditions that left little scope to local entrepreneurs to invest financial capital into the long-term development of their employees, these traditional apprenticeship type of training institutions were also to be appropriated by the garment factories and thus became the institutional foundation of the in-firm skill formation regime of the garment industry in Bangladesh.

12.1.1 The in-firm skill formation regime before the imposition of garment quota

The first manufacturers of garments in Bangladesh, such as Reas and Jewel Garment, produced for the local market, and it was through accidental contacts with intermediary traders, most of them hailing from one of the NIEs, that they started to export their first consignments of garments.[1051] The items ordered by the intermediaries were generally easy-to-make garments with a minimal value added, which had to meet relatively low quality standards; along the lines of what has been described as CTM arrangements in section 4.2, the traders then provided their Bangladeshi coun-

[1049] Roy (2002a), p. 517
[1050] Kiyokawa (1983), p. 119
[1051] BD_Int_Association1_Representative3 (p. 2/l. 8-11)

terparts the raw material and promised them to sell the finished product to an overseas buyer.[1052] For these reasons, many potential manufacturers were of the view that they needed neither business experience nor market contacts nor technical skills to enter the industry, which rendered them vulnerable to financial loss and dependent on outside business contacts and technical skills.[1053] The business relationship was often risky for either of the contracting parties. In some cases, the intermediaries booked orders from entrepreneurs whose firms were still lacking the machinery, in other cases the intermediaries broke the agreements by not purchasing the ordered quantity of garments.[1054] In any event, the major part of the profits were retained by the intermediaries; but as orders were bulky and labour costs enormously low, the local manufacturers were in a position to pocket a sufficient share of the gains.[1055]

Devoid of long-term experience in the garment business, the local entrepreneurs had to produce under the pressure to meet tight dead-lines, to acquire orders and to pay wages on time. Many firms saw their garments rejected, as they failed to meet quality standards, which quite early resulted in a credibility gap of the entire industry vis-à-vis buyers and intermediaries.[1056] The production process in the garment industry thus soon started to be characterised by problem solving on a daily basis rather than by long-term business strategies. Many factories mainly consisted of helpers and operators and of a management that included the entrepreneur and, in many events, some of his family members or friends.[1057] Often, the entrepreneurs, who were lacking production managers and a sufficient number of supervisors, had to oversee the operations themselves.[1058] Only in the rare case that entrepreneurs had closer relations to their intermediaries, they were given an opportunity to hire expatriate technicians from other parts of Asia, who would guide the operations and train up both the management and the workers.[1059] Much of the expatriate staff was, however, poached by other entrepreneurs who were prepared to pay higher salaries.[1060]

1052 United Nations Development Programme and International Labour Organization (1986), p. 1, BD_Int_Firm02_Representative1 (p. 9/l. 9-15)

1053 United Nations Development Programme and International Labour Organization (1986), p. 8, BD_Int_Association1_Representative6 (p. 1/l. 26-35)

1054 BD_Int_Firm10_Representative1 (p. 5/l. 17-19)

1055 United Nations Development Programme and International Labour Organization (1986), p. 8

1056 Ibid., p. 11

1057 On centralised and paternalistic management based on kinship relations see Ahmed (1998, p. 264).

1058 BD_Int_Firm02_Representative1 (p. 4/l. 21-24)

1059 BD_Int_Association1_Representative6 (p. 1/l. 41-45)

1060 BD_Int_Association1_Representative4 (p. 7/l. 35-38)

Given the precarious production processes in many of the early garment factories by local entrepreneurs, there was only little scope to invest into the further development of factories and into development of factory staff. Most operators on the sewing floor of these firms, almost exclusively young migrant female workers from the rural areas, were often recruited by the entrepreneurs through their family members and friends; once employed, these workers, most of which hadn't undergone formal schooling, were then placed as helpers alongside the more experienced operators for some months, whom they had to observe and to assist until they themselves were employed as operators working directly on the machine and being assisted by new helpers.[1061] As skilled workers were offered higher salaries by neighbouring factories, the turnover of operators was high, which in itself was a strong disincentive for higher investment into training.[1062] In the other departments of the garment factories, such as cutting and finishing, recruitment and training processes developed in a similar way, but the workforce was, in contrast to that of the sewing floor, dominated by higher paid male workers, as employers were of the view that these jobs were physically more demanding.[1063] If the firms were large enough to employ supervisors on the sewing floor, this staff was normally promoted from among the few male sewing operators.[1064] Males were preferred as supervisors because employers were of the view that male employees were in a better position to control the labour force and to make sure that the targets would be met. Furthermore, this position required basic literacy and numeracy skills, which were more common among the few male operators.[1065] Again, skill formation consisted of on-the-job training, which, in the case of the supervisors, meant being given minor tasks by a senior manager, often by the managing director himself.[1066]

Already in the early years of the export-oriented garment industry, locally owned, low value-added firms which were characterised by skill formation arrangements relying on limited on-the-job training were the basis for the expansion of the garment industry in Bangladesh. In-firm skill formation arrangements that included higher capital investment in training of the workforce were comparatively rare and were concentrated in some of the few FDI-backed joint ventures, whose number did not exceed

---

1061 Paul-Majumder and Begum (1997), p. 29, Stuart-Smith and Shefali (2003), p. 15
1062 Dannecker (2002), pp. 114f
1063 Paul-Majumder and Begum (1997), p. 17
1064 Dannecker (2002), p. 107, Paul-Majumder and Begum (1997), p. 21
1065 Ibid., p. 21
1066 Ibid., p. 22

15 even by 1989.[1067] The most important joint venture in the early days of the garment industry was the above-mentioned Desh Garments in Chittagong, an operation jointly run by Daewoo of South Korea and Nurul Quader, a former senior bureaucrat. In contrast to the locally owned firms, Desh Garments tremendously profited from the experience and the skills of the South Korean partners but also from the fact that the company could employed local staff that had obtained educational certificates from among the more reputed schools and universities of the country.[1068]

Once the future managers, supervisors and operators had been recruited, more than 100 of them were sent for a comprehensive training programme of several months in Daewoo's South Korean plant. Through both theoretical and practical training, the Bangladeshi trainees were taught the skills needed to cut and sew a garment and to control the flow on the shop floor.[1069] Back in Bangladesh, they themselves started to train up operators and supervisors on-the-job. As the South Korean trained employees had, however, become attractive for other entrepreneurs looking for skilled personnel, many of them were poached by other firms that were being set up both in Chittagong and Dhaka in the early 1980s. Later on, some of those trained in Korea would become entrepreneurs themselves and would, in fact, become a part of the establishment of the industry.[1070] Desh thus had a considerable effect on the transfer of skills and technology to the Bangladeshi garment industry but it remained an exception. The real growth of the garment industry that was only about to take off in these years would be based on the expansion of factories that were lacking the relationship to external partners which would have been prepared to share their experience and their skills with local partners.[1071]

12.1.2 The in-firm skill formation regime during the quota regime

Once the quota regime was introduced to Bangladesh, local entrepreneurs were provided with further incentives to produce comparatively low value-added garments. In case the entprepreneurs had been allocated quota by the government or had the opportunity to purchase quota from one of their competitors, they were neither pressed to improve productivity nor to further develop their products, as their sales were guaranteed. At the same time, the quota system encouraged manufacturers to

---

1067 Ahmad (1989), p. 96
1068 BD_Int_Association1_Representative5 (p. 2/l. 5-8)
1069 BD_Int_Firm02_Representative1 (p. 3/l. 9-12)
1070 Quddus and Rashid (2000), p. 63
1071 United Nations Development Programme and International Labour Organization (1986), p. 12

order garments from subcontractors, whose survival was based on day-to-day problem solving rather than on long-term investment into technology and skills.[1072] Formal training remained minimal in most of these firms and thus continued to mainly consist of limited on-the-job training for employees at all levels.[1073]

Despite the fact that the material interests of Daewoo had not been protected by the government of Bangladesh and that the company thus was absorbed by the local partner, a small amount of FDI continued to flow into the country under the time of the quota regime, too. One of the FDI-backed joint ventures that invested into skill formation of their employees in the years under the quota regime was Youngone, which established a factory in the Chittagong EPZ in 1980 and another one in the Dhaka EPZ a few years later.[1074] Similar to Desh, this factory managed to attract management trainees with a science-based university background. These recruits had to undergo a traineeship of more than one year, during which they worked in a number of different departments, partly under expatriate personnel from the mother plant in South Korea. This training also included theoretical, class room-based instruction.[1075] Some of the new recruits were employed in the work-study department, where they had the task to increase productivity of the entire production process and to plan the operations. Some of these work-study officers, many of which thus acquired a strong background in industrial engineering, were later promoted to the senior management positions.[1076] In contrast to most of the locally owned firms in Bangladesh, employees of Youngones at the technician and at the supervisory level were also trained outside production.[1077] Many of the quality controllers, for instance, were given theoretical instructions for more than one month and then continued to be trained on-the-job by expatriate managers, who familiarised them with comprehensive processes of quality control.[1078] The skills brought from South Korea to Bangladesh, however, remained firmly within the company. Because of the comparatively attractive working conditions and the higher salaries at Youngone, hardly any of the local entrepreneurs managed to poach its employees, or to visit any of the plants of

---

1072 Hussain (2007), p. 6
1073 Vardigans and Huda (1999), p. 14
1074 Siddiqi (2005), p. 80f
1075 BD_Int_Firm06_Representative1 (p. 5/l. 3-5)
1076 BD_FNotes_Firm12 (p. 1/l. 43-45), BD_Int_Firm06_Representative1 (p. 5/l. 6-7)
1077 Ibid. (p. 1/l. 39-41)
1078 BD_Int_TrainOrg08_Representative1 (p. 2/l. 4-10 & 14-17)

this company, which all limited the opportunities for the transfer of skills and technology.[1079]

12.1.3 The in-firm skill formation regime during and after the phase out of quota

In the years after the formulation of the ATC in 1995, which prescribed the phase out of the quota regime by 2005, the manufacturers in Bangladesh faced, as described in section 11.4, two major challenges: first, they faced the pressure to increase their productivity, as the liberalisation of the industry led to more price-based competition. Second, buyers became increasingly concerned about labour conditions in the country's garment sector. These pressures created incentives to invest in skill formation, which, however, did not uniformly affect the enormously diversified garment production arrangements at the firm level. In fact, the production arrangements of most garment companies did not see any major institutional changes. More than two thirds of the manufacturers continued to be involved in the most basic production processes, i.e. in the CTM mode of operation, and went on to make their profits from being able to employ workers at a low salary and from having contacts to buyers who were not very quality conscious but ready to place bulk orders.[1080] Productivity in these firms remained low, and it was even lower by 10 percent in the sub-contracting units, which constituted more than 38 percent of firms in 2003.[1081] This low focus on productivity development resulted in the entire Bangladeshi garment industry raising its productivity in the 1990s by only 2 percent, which was low compared to other countries.[1082] Correspondingly, most entrepreneurs continued to attach low priority to the skill formation of their workforce.

At the operator level of most firms, workers continued to be trained as helpers or to be poached from other factories. As, however, many women in the rural areas not only began to have undergone more formal schooling and now tended to get employment in the higher paying and more sophisticated garment factories, many manufacturers from the comparatively unproductive firms increasingly suffered from a dearth of skilled operators.[1083] At the supervisory and mid-management level, these firms continued to rely on promoted operators who were not provided any further

---

1079 BD_Int_Firm02_Representative1 (p. 10/l. 27-28)
1080 Dr. Martelli Associates (1998), pp. 111f, World Bank (2005a), p. 15
1081 Centre for Policy Dialogue (2007), p. 7, Saheed (2003), p. 166
1082 Siddiqi (2005), p. 213, Zohir (2001b), p. 44
1083 Rahman (2001), p. 40, Zohir (2001b), p. 48

training.[1084] In fact, hardly any of these factories employed technically trained graduates from Textile Colleges or the engineering universities; the dearth of technically trained people in most Bangladeshi garment factories was a consequence of both lacking demand and supply. On the one hand, representatives of the large associations, namely of BGMEA, were of the view that even under the prospects of the liberalisation of the garment industry after 2005 employment in garment production did not require any formal technical education background. In fact, the practice to promote senior staff from the operator or the supervisory level remained attractive, as it reduced the initial training period. In contrast to new recruits who had a higher education background but were lacking industrial experience, the promoted personnel didn't need to familiarise themselves with the production processes, into which they had been previously involved at a more junior level. Furthermore, the managers promoted from the shop floor level were sceptical towards any outsiders who could outclass their own job performance and could thus menace the delicate power equilibrium on the highly hierarchical shop floors. On the other hand, supply of such technically trained personnel remained low; graduates from technical universities were not attracted to factories which belonged to a segment of the labour market with a very low esteem. To them, the labour market in the urban areas provided a range of other job opportunities, which not only offered more social prestige and a higher salary but also a less hectic and stressful working environment.[1085]

In contrast to most local firms, many FDI-backed firms were pressed by their owners to embark on business strategies that would prepare their ventures for the years after the phase out of the MFA in 2005. Even these ventures continued to be mainly involved into CTM processes and only gradually ventured into merchandising and marketing, whereas hardly any of them opened a product development department that would also have required designers. Generally, the foreign owners of these companies were of the view that these segments of the supply chain should be kept outside Bangladesh. Their priority was thus to make sure that productivity would be high enough to keep competitors both in Bangladesh and abroad at bay, which also

---

[1084] BD_Int_Firm05_Representative2 (p. 1/l. 24-28 & 31-34), BD_Int_Firm11_Representative1 (p. 1/l. 23-27), BD_Int_Firm11_Representative2 (p. 1/l. 23-28), BD_Int_Firm13_Representative8 (p. 1/l. 4-6), BD_Int_Firm14_Representative1 (p. 1/l. 22-26), BD_Int_Firm14_Representative2 (p. 1/l. 21-30)

[1085] See the respective elaborations in BD_Int_Association1_Representative4 (p. 3/l. 15-19, p. 7/l. 6-16).

involved further developing training processes and creating avenues for technically trained school leavers and graduates.[1086]

At the operator level, FDI companies began to recruit better educated and more experienced workers and to improve the processes to retain workers longer than their competitors outside the zone.[1087] Most FDI-backed companies were, therefore, still profiting from the fact that many experienced operators were seeking employment here so that they had to invest only little into training of operators.[1088] As pressure on them to raise productivity and, thus, to increase the man-machine ratio was growing, some firms also decided to reduce the number of helpers, which required a change of training processes: as the helper position had served as a training period for operators, few companies were now establishing training lines, in which both the future operators and the existing workforce were provided training outside production. Furthermore, these training lines could also be used for upgrading the skills of the existing workforce.[1089] One FDI-backed factory also started to invest in literacy programmes for their operators.[1090]

At the supervisory level, the senior management of FDI-backed companies was trying to employ an increasing number of staff which would not be promoted from the operator level but were recruited from outside and were expected to have a comparatively high education background, i.e. have at least come up to the SSC level. Once employed in the factories, these externally recruited supervisors were trained on-the-job by their superiors and underwent more formal training outside production, which focused on skills to handle human resources and grievances on the shop floor.[1091] Despite these attempts, some of these firms failed to attract and to retain a sufficient number of such externally recruited supervisors, which made it difficult for the companies to implement the same production processes as in their plants in other countries.[1092]

1086 BD_Int_Firm06_Representative1 (p. 1/l. 28-30 & p. 6/l. 24-25), BD_Int_Firm06_Representative2 (p. 1/l. 28-30), BD_Int_Firm09_Representative1 (p. 2/l. 23-26)

1087 Zohir (2001b), p. 48, BD_FNotes_Firm12 (p. 1/l. 25)

1088 BD_Int_Firm06_Representative1 (p. 2/l. 32-34), BD_Int_Firm09_Representative1 (p. 3/l. 15-16)

1089 BD_Int_Firm06_Representative1 (p. 2/l. 17-23)

1090 BD_FNotes_Firm12 (p. 12/l. 7)

1091 BD_Int_Firm06_Representative7 (p. 1/l.24), BD_Int_Firm09_Representative1 (p. 3/l. 31-35 & p. 4/l. 18-19 & 21-25)

1092 BD_FNotes_Firm16 (p. 10/para. 1.2), BD_Int_Firm09_Representative3 (p. 5/l. 17-20)

At the management level, most FDI-backed companies continued, at least partly, to rely on managers and technicians from overseas.[1093] As, however, the costs of this expatriate staff were high, some of these firms also started to recruit local staff and to make them undergo a structured training programme: university graduates were recruited as trainees for a specific department but before actually being given any responsibility there, they were assigned to other departments during several months; this helped the trainees to familiarise themselves with the entire operations and served the superiors to monitor skills, motivation and performance of the new recruits in different working environments.[1094] Often, however, even FDI-backed firms found it difficult to retain educationally more accomplished staff and therefore had to lower the respective requirements.[1095]

As we have seen, the production regime of the clear majority of garment factories hardly changed in view of the pressure emanating from the ATC; furthermore, we could note that the production regime of FDI-backed firms further developed along the previously evolved, comparatively more skills-intensive trajectory. We will now see that, beyond that, the incentives of the post-1995 era indeed resulted in a number of locally owned garment factories, whose owners strongly invested into productivity improvement and better labour conditions, started to produce higher value-added garments and were striving for industrial upgrading. In contrast to most of their local competitors, these firms were not operating as subcontractors to other garment manufacturers but were increasingly selling their products directly to end buyers, which were interested in sourcing higher value-added garments from Bangladesh and, ideally for the manufacturers in Bangladesh, to outsource merchandising or marketing to their suppliers.

In order to be in a position to enter this type of business relationship, the production arrangements of many of these firms had to be adapted to integrate new segments of the supply chain, such as merchandising, to ensure constant productivity improvement and to document the adherence to labour standards by acquiring the necessary compliance certificates. The main strategy of these firms to adapt their production

---

1093 Company 9, for instance, originally employed all technicians from Sri Lanka and also organised training for its staff in Vietnam and Korea; see BD_FNotes_Firm09 (p. 2/l. 5), BD_Int_Firm09_Representative1 (p. 4/l. 35-37); on training by expatriate managers see BD_Int_Firm06_Representative1 (p. 2/l. l. 4-5 & 22-23).

1094 BD_FNotes_Firm12 (p. 1/l. 38-45), BD_Int_Firm06_Representative4 (p. 1/l. 19 & 25-28), BD_Int_Firm09_Representative1, (p. 4/l. 22-29),

1095 See, for instance, BD_FNotes_Firm16 (p. 15).

arrangements was to establish specialised departments for tasks which had previously been assigned to more integrated departments. Merchandising departments had to source the raw materials needed for the products of the company, work-study departments were given the task to focus on productivity improvement, and human resources departments had to focus on employment conditions, compliance and training.[1096]

In many instances, the establishment of such departments was a measure to contain the power of the production department, whose management was considered not to be in a satisfactory position to increase productivity and to improve compliance with the labour standards set by the buyers. In the case of the work-study department of one particular factory, the initially very small team of only two people was given the task to increase productivity on the shop floor but also to plan production in a way, which would allow the factory to meet compliance related requirements.[1097] In the case of another factory, the owners were of the view that the production managers were controlling recruitment, promotion and transfers in a way, which was not conducive for both productivity improvement and compliance. They therefore decided to establish a human resources department that had the task to employ, train and monitor the staff.[1098]

The change of the firms' production arrangements necessarily implied a change of the respective in-firm skill formation arrangements: on the one hand, the establishment of new departments accelerated the tendency to hire recruits who had been trained in specific technical fields, e.g. in merchandising, industrial engineering or human resources development. On the other hand, the establishment of new departments, notably those for work study and human resources development, resulted in these new employees themselves engaging in further adaptations of the production arrangements and, thus, of the skill formation arrangements. One of the traditional methods in Bangladesh to hire skilled technicians, was to employ skilled expatriates, for instance from Sri Lanka, from where many employees had come to work in the Bangladeshi garment industry.[1099] As, however, these expatriate employees

---

1096 For accounts of this restructuring process and of the pressure by buyers see BD_Int_Firm05_Representative1 (p. 3/l. 4-5), BD_Int_Firm07_Representative1 (p. 2/l. 35-39).

1097 BD_Int_Firm02_Representative1 (p. 9/l. 42-44)

1098 BD_Int_Firm07_Representative1 (p. 5/l. 38-41, p. 6/l. 34-43 & p. 10/l. 7-13)

1099 Many factories had recruited merchandisers from Sri Lanka, India, Pakistan and China; see BD_Int_Firm01_Representative1 (p. 1 / l.13-19), BD_Int_TrainOrg02_Representative1 (p. 4/l. 4-8).

were working for considerably higher wages, the firms – similar to the FDI-backed ones – started to increasingly employ university-trained local recruits, who had ideally undergone some industry related technical training.[1100] One of the firms, for instance, had started its work-study department with two graduates from a private training institute, who had previously not been involved in the garment industry.[1101] Once the department was established, this practice continued and it was complemented with a traineeship, during which the recruits from outside were provided the opportunity to learn the skills on-the-job.[1102]

Many of these more specifically trained recruits of the new departments helped the firms to further adapt their production and skill formation arrangements by defining skill levels and elaborating training manuals, which would refine the training contents, assessment methods and the ways to monitor performance after the training period.[1103] In such companies, sewing operators started to be trained in separate training lines outside production and the practice to recruit supervisors and middle-level managers from outside was not only applied to the new departments but also to the existing ones.[1104] These externally recruited employees were then trained on-the-job, and in case the senior management was of the view that the capacities for further skill development within the factories were not sufficient, these employees were also sent to out-of-firm training organisations.[1105]

Even though the owners of these firms had the clear intention to hire more technically trained people from outside, establishing such new recruitment and skill formation arrangements was related to some difficulties: first, the senior management had to accept the fact that graduates with only limited industrial experience were not fully productive even after their training period and that it thus took time until investments were returned. Second, for many years, it was difficult for these firms to find university graduates prepared to work in the garment industry, and even if they could be

---

1100 On recruitment and educational backgrounds of staff of these new departments see BD_FNotes_Firm05 (p. 2/l. 12-18), BD_FNotes_Firm07 (p. 2/l. 4-9), BD_Int_Firm02_Representative2, (p. 1/l. 23-24), BD_Int_Firm02_Representative3 (p. 1/l. 22-25), BD_Int_Firm02_Representative4 (p. 1/l. 18-21), BD_Int_Firm02_Representative5 (p. 1/l. 24-25).

1101 BD_Int_Firm02_Representative1 (p. 7/l. 3-10 & p. 9/l. 42-44)

1102 BD_Int_Firm02_Representative1 (p. 10/l. 33-36)

1103 Ahmed (2007), Industrial Engineering Department DBL Group (2007), BD_FNotes_Firm15 (p. 1/l. 31-32 & p. 2/l. 1-5), BD_Int_Firm03_Representative1 (p. 2/l. 24-28)

1104 BD_FNotes_Firm01 (p. 6/para. 4.1 & p. 7./para.4.2), BD_FNotes_Firm20 (p. 1/. 23f), BD_Int_Association1_Representative7 (p. 2 / 23-26), BD_Int_Firm02_Representative1 (p. 6/l. 35-36 & p. 8/l. 9-12), BD_Int_Firm03_Representative1 (p. 3/l. 29-31), BD_Int_Firm07_Representative1 (p. 4/l. 1-2)

1105 BD_FNotes_Firm20 (p. 1/l. 37-41), BD_Int_Firm01_Representative1 (p. 1/l. 30-32)

recruited, it was often difficult to retain them, which made employers reluctant to invest in their skills.[1106] Third, the employment of university graduate led to social conflicts, especially in the production departments. Those previously employed in senior positions without having undergone any university training often felt threatened by the presence of the accomplished newcomers, who were poised to use academic concepts in order to question existing production arrangements.[1107] These difficulties in conjunction with outside job opportunities often made the young, educationally accomplished trainees quit employment even at the more sophisticated and technology-intensive locally owned garment factories.[1108]

Factories which were striving to adapt their skill formation arrangements certainly had to accept the lower productivity of trainees during the induction period for the sake of higher returns at a later moment and had to partly live with high attrition rates.[1109] At the same time, many of these factories began to establish mechanisms to retain their trained personnel at all levels of the occupational hierarchy. In order to retain operators, for instance, one factory started to organise yearly pick-nicks with the entire staff and theatre presentations by the family members of their employees.[1110] At a more senior level, companies tried to find ways to retain their mid-level managers either by rapidly promoting them to senior levels or by paying better salaries and providing other benefits.[1111] Some companies realised that training could lead to later returns even if the trained technicians or managers could not be retained and were poached by other companies, as their former employees, loyal to the factory from where they gained their skills, further enlarged the company's access to other organisations and individuals in the trade, especially if they started to work for potential buyers.[1112] Changes like these, of course, also would affect the development of the out-of-firm skill formation regime, which will now be scrutinised in more detail.

1106 BD_Int_Firm03_Representative1 (p. 4/l. 28-30)
1107 BD_Int_Firm07_Representative1 (p. 5/l. 24-31)
1108 BD_Int_Firm05_Representative1 (p. 7/l. 9-21)
1109 BD_Int_Firm08_Representative1 (p. 4/l. 21-29)
1110 BD_Int_Association1_Representative7 (p. 2/l. 16-20); in one company, the mechanisms to retain workers were aimed at constantly keeping a 5 percent surplus of operators; see BD_FNotes_Firm20 (p. 1/l. 32).
1111 BD_Int_Association1_Representative7 (p. 2/l. 38-40)
1112 BD_Int_Firm02_Representative1 (p. 8/l. 23-24)

12.2 The development of the out-of-firm skill formation regime

12.2.1 Skill formation programmes before the imposition of garment quota

The basis of textile-related technical education in India was laid in the late 19th century, when the European staff of textile mills started to be gradually replaced by Indian technicians. Whereas the traditional production regime in the industry had relied on skilled technicians migrating to Indian factories from Great Britain and on Indian staff trained on-the-job, this transition resulted in the general perception that the industry was suffering from a skills shortage. Textile technologists thus started to lament the low state of textile-related technical education in India, a claim which was in line with the demands by the representatives of the Indian National Congress and the Swabeshi movement, who were pressurising the governments of the Indian provinces for more technical education after 1880 and after 1900 respectively.[1113] India's first technical school that was entirely dedicated to the textile industry was the Bengal Textile Institute in Serampore, in the western part of Bengal;[1114] by the 1940s, eleven more such organisations, all offering technical education programmes up to diploma and licentiate level, were established all over India.[1115] As the representatives of the British government were of the view that an excess supply of technically educated personnel would be harmful for the social and economic development of the colony, no such textile-related institute was established in the eastern part of Bengal.[1116] The Dhaka survey school, which virtually exclusively prepared its students for employment in the Public Works Department, thus remained, as described in section 10.1, the only higher technical education organisation in this part of Bengal.

There emerged, however, a different type of textile-related skill formation organisations. After the First World War, the Indian government formulated plans to revive and to modernise the rural handloom industry; hence, it established, under the Departments of Industry in the different provinces, peripatetic weaving schools that operated from the major towns of the country to diffuse new weaving technologies in the rural areas.[1117] The peripatetic schools, 30 of which were established in the eastern part of Bengal, then moved to the villages, where they stayed for a few days or weeks in order to familiarise the local weavers with new machines and techniques.

1113 Kiyokawa (1983), pp. 120f
1114 Roy (2002b), p. 516
1115 Kiyokawa (1983), p. 123
1116 Ibid., p. 121
1117 Department of Textiles (2001), p. 6, Roy (2002b), p. 516

The staff of these schools consisted of a superintendent, who had undergone formal education, and a number of assistants, who were lacking this type of education but were skilled craftsmen.[1118] Partly owing to the facts that the weavers had learnt their skills as apprentices from skilled craftsmen and that the superintendents were not skilled weavers themselves, many local weavers were reluctant to learn from these schools, which thus only had a limited impact on the diffusion of the new technologies.[1119]

In the years under the Indian colonial government, a number of organisations were developed that obviously became part of the skill formation regime of the Indian textile industry. In both cases, state patronage was essential for their evolution. But whereas the organisations providing higher technical education had resulted from the demand from the growing community of textile technologists, from the mill owners in the private sector and from the pressure by political parties, vocational education for the textile industry was entirely supply-driven and catered to weavers in the rural areas, who had traditionally relied on the apprenticeship system and were therefore reluctant to take up the skills from an outside agency.

After the formation of Pakistan in 1947, the eastern part of Bengal finally received its Textile Institute: in 1954, the East Pakistan Textile Institute in Dhaka enrolled its first students for a diploma course in textile technology, with a first delivery in 1958.[1120] The institute offered diploma courses of three years in textile technology and in jute technology and a diploma in textile chemistry of two years, and it thus prepared students as junior and mid-level textile technologists that would take up positions in the emerging mills both in the private and the public sector.[1121] Even though the development of the textile industry was a priority of Pakistan's economic planners, there was no degree level technical education programme for textile engineers in East Pakistan. Graduates of the diploma programmes who wanted to pursue further studies therefore had to move to the western part of Pakistan, to India or to England to obtain a higher degree in textile technology. Once Bangladesh was formed, some of them also headed for the Soviet Union, which thus trained a considerable number of textile technologists.[1122]

1118 Ibid., p. 517

1119 Loc. cit.; on the reluctance of local weavers to take up the technology see Ghosh (1910, p. 176).

1120 Khan (2007), p. 6

1121 Department of Textiles (2005b), p. 15

1122 On studies in India see BD_Int_AdminUnit4_Representative2 (p. 2/l. 11-16); on studies in the Soviet Union see BD_Int_TrainOrg06_Representative1 (p. 5/l. 8-12).

This situation changed in 1978, when the Textile Institute was upgraded to the College of Textile Technology that was affiliated to the highly reputed Dhaka University; this strategy was in line with the economic plans of the incoming government under General Zia, which considered the development of the jute and textile industry with both private and public investments to be one of the most important aims of its economic policy.[1123] From that year, the college started to award a B.Sc. degree in textile technology and subsequently phased out its diploma programme, under which technicians had been trained since 1954.[1124] The development of the college, notably of its infrastructure, its curricula and its staff, began to be tremendously supported through donors funded projects, namely through those of UNDP that were implemented in the early 1980s. With these funds, the college developed to be one of the best equipped technical education organisations at the university level.[1125] The reputation of the college was, however, not only based on its being funded by outside agencies but also on the high social status of its teaching force: all of its professors were made to belong to the Class I gazetted officers, the highest rank in the Bangladesh Civil Service, the members of which are generally recruited from the uppermost echelons of society and often had received their degrees from renowned foreign universities.[1126] Similarly elitist, student entry into the Textile College was restricted by a very competitive exam, and the course programme itself was based on a highly academic curriculum that was developed in cooperation with overseas universities.

The textile engineers trained at the Textile College in Dhaka were employed in the senior positions of the textile mills in the country. Being the only such organisation in Bangladesh, the college strongly contributed to the corporate professional identity of the former graduates, which not only facilitated the exchange of skills and knowledge in the textile industry but also increased the opportunities for collective action.[1127] In fact, after the first batch of degree students had graduated from the college, an alumni organisation, the Institution of Textile Engineers and Technologists was formed, which was to give the textile technologists a voice independent from the en-

---

1123 Planning Commission (1978), p. 153

1124 Department of Textiles (2005b), p. 15

1125 On development projects by the UNDP see Governing Council of the United Nations Development Programme (1990, p. 18), Planning Commission (1993, pp. 260f); on the development of equipment and staff of the Textile College see BD_Int_TrainOrg10_Representative1 (p. 1/l. 29-35).

1126 On the high reputation of teachers of the Textile College see BD_Int_TrainOrg10_Representative1 (p. 1/l. 36-40); on the social background of Class I officers see Quddus (2007, p. 78).

1127 Rossbach (2006), p. 10

trepreneurs associated in BTMA, which was lobbying the government with regard to textile-related policies.[1128] Under these circumstances, the college was soon strongly interrelated with the textile industry; its ties with the garment industry, whose first phase of expansion occurred in the years when the first textile graduates left the college, did, however, not develop in a similar way. In fact, this industry was not considered an option for employment by the graduates of the college, even though a test on garment technology was introduced in the first half of the 1980s.[1129] Certainly, the production processes of the garment industry were quite different from the ones of the textile mills that were producing yarn and fabric. But the lacking absorption of textile technologists by the garment industry was rather rooted in the fact that the technically educated graduates, many of which hailed from upper-middle class families, did not regard the garment industry as a sufficiently prestigious employer. As discussed in section 12.1.1, employment of university graduates in the garment industry was rare and was concentrated in the few technologically more sophisticated and thus socially more prestigious FDI-backed garment firms; but even there, university-trained employees generally had not undergone any industry-specific technical education programmes but had obtained their degrees in more general fields, such as arts, science and economics. Accordingly, these firms did not establish any linkages with the Textile College either.

Whereas technical education catering to the textile industry was developed through the establishment of the Textile Institute under Pakistani rule, there was no similar effort at the vocational level. The weaving schools that catered to the rural handloom industry were retained but hardly improved. Only after the publication of the Two Year Plan formulated by Zia's government, six of the existing weaving schools were upgraded to Textile Institutes, at which the former certificate courses were abolished and substituted by three-year diploma programmes catering to future technicians in the fields of weaving, spinning, dyeing and finishing.[1130] These institutes were, as were the weaving schools, operated by the Department of Textiles, which had been founded under the Industries Division of the Ministry of Industries and Commerce in 1978 and was, at that time, also overseeing the textile mills in the public sector, some

[1128] Institution of Textile Engineers and Technologists (2008)

[1129] On the introduction of the first paper on garment technology see BD_Int_AdminUnit4_Representative2 (p. 3/l. 35-37).

[1130] Department of Textiles (2005b), p. 15

of which started to be privatised in these years.[1131] The department argued that the textile mills would be in need for more mid-level supervisors and technicians. Manpower requirements were, however, certainly not the only reason to establish the Textile Institutes. Indeed, the institutes started to absorb textile technologists who had been retrenched from the first denationalised mills and they were poised to absorb more of them once the privatisation strategy was to be accelerated.[1132] Furthermore, the locations of the institutes rather reflected the electorates of leading politicians in the BNP and thus did not correspond with the main centres of textile production.[1133] This may explain why Dhaka and its vicinity were left without a skill formation organisation providing training for the textile industry at the diploma level.

The strategy by Zia's government to expand textile-related vocational and technical education also included the establishment of an institute for further training of technicians in the textile industry. The Textile Industry Development Centre (TIDC) provided training, testing and consulting services to the public mills under the BMTC, whose public textile mills had become loss-making ventures in the second half of the 1970s and were poised to be privatised after the publication of the Two Year Plan in 1978.[1134] Similar to the Textile College, the infrastructure, the development of curricula and staff training at the TIDC was supported by UNDP, which implemented its programme through the United Nations Industrial Development Organisation (UNIDO).[1135]

As these elaborations show, there developed, at the time when the Bangladeshi garment industry started to grow in the beginning of the 1980s, no formal skill formation programmes that would have catered to the garment industry. In fact, there were no actors, neither in the public nor in the private sector, which would have considered the establishment of such organisations a vital ingredient to the development of the industry, all the more as the growth of the garment industry was no result of traditional economic planning but rather of concessions extracted by individual entrepreneurs. At the same time, there was, however, a strong, government-led impetus for skill formation programmes for the textile industry that were indeed an outcome of

---

1131 Government of Bangladesh (1982), p. 1

1132 On the retrenchment of employees of the Department of Textiles under the privatisation strategy see Chandra (1994, p. 93).

1133 The Textile Institutes were located in Tangail, Dinajpur, Pabna, Barisal, Noakhali and Chittagong; see Department of Textiles (2005b, p. 15).

1134 Lorch (1997), p. 128

1135 Khan (2007), p. 7

economic planning by the Planning Commission. It was under this umbrella that both the Ministry of Education, with its Textile College, and the Ministry of Industries, with its Textile Institutes and the TIDC, started to be strongly involved into preparing school leavers for positions in the textile industry. These two organisations would continue to be crucial for the development of the out-of-firm skill formation of the garment industry in the next decades.

12.2.2 Skill formation programmes during the quota regime

The years between 1986 and 1995 saw, for the first time, the rise of formal skill formation programmes that were explicitly catering to the garment industry. The main characteristic feature of this development was, as before, the strong involvement of donor agencies, which now, unlike in the previous years, started to also interact with the employers' associations. The first skill formation programme that catered to the garment sector was developed under a project financed by UNDP and implemented by the Geneva-based International Trade Centre (ITC) in cooperation with the Bangladesh Export Promotion Bureau (EPB) that operated under the Ministry of Commerce.[1136] Starting from mid-1986, this project facilitated training sessions primarily for the managers of different industrial sectors but also included a garment industry component that provided managers with skills related to production development, quality control and export development. Furthermore, the project financed expatriate experts, who were consulting firms on productivity improvement.[1137] Just at the time when the implementation of this project had commenced, UNDP and ILO launched another project which aimed at initiating training programmes specifically catering to the garment industry. These two organisations chose as their implementing partner the BMET, one of the major training agencies in the country that was under the control of the Ministry of Labour. In fact, the Youth Development Bureau of Bangladesh had, already before, offered some training courses on dress making and tailoring but these courses were aimed at developing skills for domestic use.[1138] On the contrary, the new project proposed by the donor agencies intended to develop training programmes that were directly catering to the industry; the donors therefore also decided to involve BGMEA, the main employers' association in the Bangladeshi gar-

---

1136 The International Trade Centre (ITC) was a joint technical cooperation agency of UNCTAD and GATT (later on WTO); see Glover (1984).

1137 United Nations Development Programme and International Labour Organization (1986), p. 16

1138 BD_FNotes_TrainOrg24 (p. 1/para. 1.2)

ment industry, into the implementation of the project. The first draft of the project suggested to train trainers of garment factories and instructors of various TTCs, to finance studies on labour laws and working conditions, to develop job descriptions for positions in the garment industry and to initiate letters of agreements between individual garment manufacturers in the NICs, in the EU and the US and those in Bangladesh to facilitate "transfer of technology through correspondence".[1139] A modified draft that did not provide for this transfer of technology and that limited the training of instructors of TTCs to one single training centre was finally agreed upon in April 1990. The project thus started in early 1991 and was subsequently extended four times; it finally ended in early 1995.[1140]

It was no coincidence that the key agency for the implementation of the project was the BMET under the Ministry of Labour; as illustrated in section 10.2.2, this organisation had become, during the 1980s, the main beneficiary of donor aid to the vocational and technical education sector and was regarded by the aid agencies to be more attuned towards the needs of the labour market than the DTE under the Ministry of Education. Both the technical expertise by a number of international consultants and the support for infrastructure and machinery were thereby channelled to the largest TTC of the country, the Bangladesh-German Technical Training Centre (BGTTC) in Dhaka; there, the consultants started their work, which – to a large extent – consisted of the delivery of training. The courses, at a length of two to six weeks, primarily catered to technicians in different fields of garment production, including quality control, pattern making, cutting and marking, sewing machine maintenance and production supervision.[1141] Some courses were specifically organised for supervisors that were supposed to transmit their skills to the operating workforce inside the firms.[1142] As the industry hardly promoted female operators to the supervisory level, the courses only catered to few women; thus special courses for female operators and supervisors had to be organised.[1143] For all courses, the consultants developed extensive course material, which they later on used as the basis for curricula that were to be implemented in the aftermath of the project. These courses for employees were

---

1139 United Nations Development Programme and International Labour Organization (1986), pp. 19-24

1140 ILO Area Office (1994), International Labour Organization and United Nations Development Programme (1995), p. 2

1141 Loc. cit., BD_Int_TrainOrg01_Representative1&5 (p. 2/l. 4-11)

1142 International Labour Organization and United Nations Development Programme (1995), pp. 9f

1143 Ibid., p. 17

complemented by guest lectures, where staff of FDI-backed firms addressed factory owners.[1144] Furthermore, the consultants visited factories and provided training to operators and technicians on the shop floors, which was considered a highly effective way of training not only by the entrepreneurs but also by the expatriate consultants, who increasingly started to put into question the effectiveness of the off-the-job training provided at the BGTTC.[1145]

The main concern of the expatriate consultants was the quality of the 14 local instructors that assisted them with the training. Being the first training project catering to the garment industry, they thus documented a feature of industry-related training programmes in Bangladesh that would be discussed by many later consultants. The main complaint was that the instructors were lacking sufficient industrial experience.[1146] In fact, virtually all of the recruited instructors had acquired degrees and had worked at training centres under different government departments but only one person had previously been employed in the garment industry, where he worked as a pattern master in a non-exporting factory up to 1984.[1147] Criticising BMET for not having recruited suitable instructors, the consultants were finally of the view that not even a third of the trained personnel of the BGTTC would be in a position to professionally train future supervisors for the industry.[1148]

The sustainability of the training programme was, however, not impaired by the alleged lack of sufficiently skilled instructors but by the disinterest of the garment manufacturers to come forward to partly finance the training programme. Most training programmes, both at the training centre in Dhaka and in the firms had indeed been organised in cooperation with BGMEA.[1149] But towards the end of the project, ILO and UNDP declared that a continuation of the project would only be considered by the two agencies in the case of stronger financial commitment by BGMEA. For this purpose, the donors had drafted a Memorandum of Understanding between BGMEA and the Government of Bangladesh, which was meant to pave the way for future collaboration between the association, the BMET and the donor agency. This document proposed that BGMEA would overtake the management of the garment training insti-

---

1144 See e.g. Athukorala (1995, p. 13), BD_Int_TrainOrg01_Representative5 (p. 2/l. 46-47).

1145 International Labour Organization and United Nations Development Programme (1995), p. 9

1146 Ibid., p. 5

1147 For the curricula vitae of the respective instructors see BD_Int_TrainOrg01_Representative2 (p. 1), BD_Int_TrainOrg01_Representative3 (p. 1), BD_Int_TrainOrg01_Representative4 (p. 1)

1148 Athukorala (1995), p. 9, International Labour Organization and United Nations Development Programme (1995), p. 15

1149 Athukorala (1995), p. 13, BD_Int_AdminUnit2_Representative1 (p. 2/l. 36-38)

tute at the BGTTC and that fees would be levied from the employers and the trainees that profited from the services of the centre.[1150] As BGMEA finally did not come forward to financially contribute to the training programmes under BMET, the donors withdrew, sceptical about the impact of a project that had aimed at sensitising employers, who – as the consultants put it – "knew nothing about their trade", for the necessity of investments into training.[1151]

The first involvement of BGMEA into the development of skill formation programmes for the garment industry occurred at a time, when the political influence of the organisation was increasing. This influence was, obviously, not sufficient to convince UNDP to continue its funding for the project at the BGTTC but it was, from now, being used to lobby the government to introduce garment-related skill formation programmes. The first such instance was its move to press the BNP government, which also included a senior member of BGMEA, to ask the Textile College in Dhaka to establish a garment related department that would complement the ones for weaving, spinning and dyeing and finishing.[1152] The government soon agreed to this proposal, and thus the Textile College not only established a Department of Apparel Manufacturing but also introduced a garment-related stream within the B.Sc. programme on textile engineering, in the development of which a number of UNDP-sponsored consultants were involved.[1153] The course structure of the garment specialisation included subjects related to textile technology in the first two years and a number of subjects related to general aspects of garment production, including maintenance of the machinery, quality control and fashion design.[1154]

As we have noted in the section 12.2.1, the Textile College had, up to these years, been mainly linked to ventures in the textile industry but was lacking similar contacts to the garment industry. One would assume that the establishment of the Department of Apparel Manufacturing at the college would have somewhat changed this scenario by contributing to a higher absorption of graduates by the garment industry. For several reasons, this was, however, not to be the case. On the one hand, there contin-

---

1150 International Labour Organization and United Nations Development Programme (1995), p. 18; for information on the development of the negotiations between donors, BMET and BGMEA see ILO Area Office (1994), p. 3, BD_Int_AdminUnit3_Representative1 (p. 2/l. 38-41).

1151 International Labour Organization and United Nations Development Programme (1995), p. 1

1152 BD_Int_TrainOrg10_Representative1 (p. 4/l. 16-19)

1153 BD_Int_AdminUnit4_Representative2 (p. 3/l. 23-25)

1154 The only documents available in this regard were prospectuses of later years; see, for instance, College of Textile Technology (2006), Id. (2007); interviews, however, confirmed that the structure of the course with the specialisation in apparel manufacturing was retained since its introduction in the early 1990s.

ued to be a lack of potential links between the programmes of the college and the in-firm skill formation arrangements of most garment factories in the country. Still, most locally owned garment factories relied, as illustrated in section 12.1.2, on on-the-job training of employees that had undergone comparatively little formal schooling; employment in these garment factories thus continued to be non-prestigious and not to be adequate for the standing of graduates from a college that was attached to the reputed Dhaka University.

At the same time, the more attractive FDI-backed firms, which were, indeed, employing university graduates, were generally not looking for industry-specifically trained staff but for recruits with a sound background in mathematics or business, who would, upon employment, be trained by experienced personnel, both local and expatriate. On the other hand, the problems of the college to relate with the garment industry were rooted in the fact that the representatives of BGMEA, who had pressurised the government and the college to establish the garment department, were disappointed by the enrolment practices of the college. In fact, many of the BGMEA entrepreneurs had hoped that the establishment of the Department of Apparel Manufacturing would provide them with the opportunity to nominate their own family members as students of the college, who would, upon graduation, be employed in the upper echelons of their relatives' ventures. However, access to the college was to be denied to most of them as entry to the Textile College continued to be based on the results achieved in entry exams. The rigidity of the selection process would soon motivate the entrepreneurs to think about alternative ways of developing skill formation programmes at the higher education level.[1155]

As we see, the Bangladeshi out-of-firm skill formation regime of the garment industry started to take shape during the quota regime of the Multi Fibre Agreement, i.e. in the years between 1986 and 1995. In the previous phase, the regime had basically not existed at all, as none of the textile-related vocational and technical education programmes that were offered by agencies under the Ministry of Education and under the Ministry of Industries explicitly referred to the emerging garment industry. Whereas the development of the textile-related technical education programmes had been guided by the rationales of the Planning Commission and its economic plans, the first garment-related out-of-firm skill formation programmes were not mainly a result of economic planning by state agencies but of the agency of donor organisa-

[1155] BD_Int_TrainOrg10_Representative1 (p. 6/l. 9-14)

tions and employers' organisations. On the basis of their efforts, there developed two organisations which now offered garment-related skill formation programmes, the Textile College and the BGTTC. Namely the development of the training programmes under the BMET, controlled by the Ministry of Labour, documented that the out-of-firm skill formation regime of the garment industry would not only become more comprehensive but also more complex and less susceptible for coordination by a few government agencies.

12.2.3 Skill formation programmes during and after the phase out of quota

12.2.3.1 Private skill formation organisations

As we have noted in the section 10.2.1 of this study, the emergence of private degree-awarding organisations and of private vocational and technical training organisations was an important feature of the development of the Bangladeshi education and training regime in the 1990s. This tendency affected the further trajectory of the out-of-firm skill formation regime of the garment industry as well, and the growth of the respective organisations was particularly prominent in the years after 1995. Of course, private skill formation programmes had already been offered in earlier years, even though such activities were not welcomed by government agencies. Lecturers of the Textile College, for instance, offered, already before this organisation opened its Department of Apparel Manufacturing in the early 1990s, courses outside the campus on a private basis that catered to senior employees of both FDI-backed and locally owned firms.[1156]

The most prominent private skill formation organisation that started to cater to the Bangladeshi garment industry in the years after 1995 was the training institute of BGMEA, the BGMEA Institute of Fashion and Technology (BIFT), which has been lauded by the World Bank and other donors to be a formidable example of private initiative in the field of technical education and training.[1157] The establishment of the institute, which admitted its first students in 2000, was the result of processes that were strongly interrelated with developments within both the education and training regime and the garment production regime in Bangladesh. There are voices claiming that the establishment of BIFT was a result of BGMEA members not being allowed to nominate their family members as students of the newly created garment department

[1156] Ibid. (p. 2/l. 35-37)
[1157] World Bank (2006c), p. 19

at the Textile College in Dhaka.[1158] Even if there are not enough data to corroborate this claim, the foundation of BIFT needs to be seen in the context of the growth of private universities in Bangladesh in the 1990s, which was, as elaborated in the section 10.2.1, rooted in the fact that the growing urban upper-middle classes were searching for alternative ways into the higher education system, the access to which had, up to that time, been highly restricted by the University Grants Commission.

The establishment of BIFT goes back to an initiative by the then BGMEA president, who founded a separate company, Education Services Ltd., in 1996 in order to set up a private university, Dhaka Imperial University; one of the main programmes supposed to be offered by the university was an extended B.A. degree course in fashion design. In order to develop a curriculum that would be accredited by the National University, the BGMEA president contacted a senior professor at Nottingham Trent University, one of the leading British universities in this field, who indeed developed a first version of such a document.[1159] After a series of discussions between the two, the project was, however, shelved for some years and was taken up again by a senior member of the BGMEA board a few years later, who not only visited Nottingham but also Phoenix College in Sri Lanka and had the backing of his colleagues on the board.[1160]

In 1999, BGMEA finally founded the institute with its own funds, which allowed to rent a house in the northern part of Dhaka and to procure some equipment.[1161] The plan to establish a private training institute for the garment industry had, from the beginning, the backing of the donor community as well.[1162] The World Bank decided, after considerable lobbying by BGMEA, to fund the staff for the first two years under its Export Diversification Project that had been running since 1999.[1163] With the Bank's support, BGMEA hired a team of highly qualified lecturers, many of which came from India, and a principal from an English university, who was to develop the curricula and to lobby the World Bank and other organisations for further financial support.[1164]

1158 BD_Int_TrainOrg10_Representative1 (p. 6/l. 9-14)
1159 See correspondence by Cowell (1997), Newton (1998); for the draft minutes of the first meeting of the board of directors see Education Services Co. Ltd. (1997).
1160 BD_Int_Association1_Representative7 (p. 3/l. 33-35)
1161 BD_Int_TrainOrg02_Representative1 (p. 5/l. 1)
1162 For respective comments by a consultant of the World Bank see Dowlah (1999, p. 951).
1163 World Bank (2005b), p. 34
1164 BD_Int_TrainOrg09_Representative1 (p. 5/l. 8-9 & l. 26-29)

The programmes developed at that time were two B.Sc. programmes of four years, one focussing on apparel manufacturing and technology and another one on fashion design technology, both of which were accredited by the National University. In contrast to the Textile College's degree programme with its specialisation in garment technology, the BIFT thus offered two degrees that less emphasised textile technology but the different aspects of garment production. In addition to the degree courses, BIFT started to offer diploma and certificate courses that were providing skills and knowledge for specific fields of the garment industry, such as apparel merchandising, woven garment manufacturing and merchandising of knitwear and of sweaters.[1165]

Similar to other private universities in Bangladesh, the academic head of the institute came under the direct purview of the board of management, whose members were appointed by the directors of BGMEA.[1166] Once the first principal was in her seat, the early promoters of the BIFT were not in a position to convince their colleagues on the board of BGMEA to come forward to fund more equipment and to invest in the future development of the institute.[1167] The board thus made it clear to the principal that they expected her to run the institute in a way that the funds advanced by BGMEA would be paid back as soon as possible.[1168] After the first two years, the World Bank funding was phased out and, more importantly, the board of BIFT was filled with new directors, as the opposing faction of entrepreneurs won the BGMEA elections; these changes marked the beginning of a first period of uncertainty at the BIFT. The main challenge at that time was the fact that the new directors had to oversee an organisation that had been founded and staffed by their opponents. Many of them were of the view that the BIFT wasn't important altogether as their firms rather required skilled operators than technically educated fashion designers and production technicians.[1169] Both the increasing factionalism and the withdrawal of the World Bank made the principal resign and most of the other expatriate staff leave BIFT.[1170] A new principal was hired but the financial situation of the institute worsened, and the problems could only be overcome when, after renewed BGMEA elec-

---

1165 BGMEA Institute of Fashion and Technology (2000)
1166 Id. (2007b); on the direct control by the board's president see BD_Int_TrainOrg02_Representative1 (p. 5/l. 29-31 & 37-40).
1167 BD_Int_TrainOrg09_Representative1 (p. 4/l. 35-37)
1168 Ibid. (p. 3/l. 43-44)
1169 Ibid. (p. 4/l. 24-27)
1170 Ibid. (p. 5/l. 4-6)

tions, a new board was installed and a new principal was appointed.[1171] It was in this new composition that the BIFT again managed to fill its classes and thus to generate profits for BGMEA, a part of which now started to be used for other purposes than only for the further development of the BIFT.[1172] At the same time, donors, eager to demonstrate their commitment to save the garment industry from the effects of the phase out of the MFA, initiated a number of projects; most projects aimed at either directly benefiting the institute in terms of technology and know-how or at using its expertise in the garment industry for different development projects.[1173]

Despite the turbulences in the process of organisational development, BIFT not only began to enjoy a good reputation among donors, some of which had been involved into its establishment, but was also viewed by many employers in the garment industry to offer programmes that were catering to their needs, which, in turn, increased the reputation of the institute among potential students and thus the social demand for the courses.[1174] The programmes by BIFT, namely the two degree courses, thus the view of many employers, were providing the students with the basic theoretical knowledge and reduced the time needed to train new recruits in the firms.[1175] This image of providing updated skills and knowledge about industry processes was also furthered by customised courses for managers or technicians of specific firms, which were conducted either at the institute or in the firms.[1176] This good reputation relativised the fact that the instruction process, particularly at the degree level, mainly focused on the transmission of academic knowledge and was hardly more practical than in other training organisations in the country. It also did not matter for employers that curricula were not developed by private sector entrepreneurs but by the staff of the institute without their participation. In fact, the degree programmes were entirely designed by expatriate staff, namely by the first principal, whereas the

---

1171 BD_Int_TrainOrg02_Representative1 (p. 5/l. 1-4)

1172 One well informed, high level adviser stated that a part of the profits from BIFT were used for financing lobbyists in the US; see BD_Int_DonorOrg1_Representative1 (p. 2/l. 7-10).

1173 The most prominent of these projects was the Bangladesh Quality Support Programme, funded by the EC and implemented by UNIDO; see United Nations Industrial Development Organization (2004); further funds for the BIFT came from the EC-funded Small Projects Facility Programme; a further agency providing funds to BIFT was the IFC-backed South Asia Enterprise Development Facility (SEDF); see Kabir and Denecke (2007, p. 6).

1174 On the high economic demand see BD_Int_TrainOrg02_Representative3 (p. 2/l. 32-33); on the high social demand see BD_Int_TrainOrg02_Representative4 (p. 2/l. 37-39).

1175 BD_Int_Association1_Representative4 (p. 7/l. 14-16), BD_Int_Firm07_Representative1 (p. 4/l. 14-17)

1176 BD_Int_TrainOrg02_Representative2 (p. 2/l. 24-25)

garment entrepreneurs continued to be reluctant to comment on the curricula even when the documents were sent to them for comments.[1177]

The perception that the programmes at the BIFT were demand-oriented was also based on the fact that the institute started to employ a number of instructors with private sector experience, which was often lacking among the instructors at the state-funded training organisations.[1178] Nevertheless, most of the instructors at the institute continued to have little practical experience in the industry, as they were professors from the low-paying public universities or former graduates of the BIFT, and if experienced employees from the private sector were recruited, personal relations to the members of the BIFT board often were more important than professional or educational backgrounds.[1179] In fact, employment of experienced employees in the garment industry was, from the beginning, made difficult by their lack of educational qualifications, which were required from all those who wanted to become instructors at a degree-awarding organisation affiliated by the National University.[1180]

The perception that the programmes of the BIFT were providing basic skills for the garment industry and that there were instructors with industry experience certainly started to be important reasons for the good reputation of the BIFT among employers; the attractiveness of the institute for the private sector was, however, tremendously increased by a number of important characteristics of the student intake. First, virtually all students at the institute hailed from Bangladesh's upper-middle class, which enabled them to afford the comparatively high fees of the institute.[1181] Second, many students had contacts to potential employers long before employment, either because they were nominated for enrolment by BGMEA members – a practice that had already started with the first batch – or because they established contacts with garment entrepreneurs during their studies, for instance through managers from the industry who were teaching at the BIFT.[1182] This began to be a tremendous advan-

---

1177 BD_Int_TrainOrg02_Representative1 (p. 3/l. 30-35), BD_Int_TrainOrg09_Representative1 (p. 3/l. 14-17)

1178 Ibid. (p. 2/l. 41-44)

1179 On the difficulties of BIFT to find staff with industry experience see Project Promotion & Management Associates Ltd. (2006, p. 21); on the recruitment of professors and of BIFT graduates see BD_Int_TrainOrg02_Representative1 (p. 3/l. 2-4); on nepotism in the recruitment process see BD_Int_TrainOrg09_Representative1 (p. 4/l. 40-42).

1180 BD_Int_TrainOrg02_Representative2 (p. 2/l. 2-3)

1181 BD_Int_TrainOrg02_Representative4 (p. 2/l. 29)

1182 On the first nominations by BGMEA members see BD_Int_TrainOrg09_Representative1 (p. 3/l. 8-9); on the continuation of this practice see BD_Int_TrainOrg02_Representative4&5 (p. 2/l. 41-42); on the practice by managers teaching at the BIFT to look out for potential employees see BD_Int_Firm07_Representative1 (p. 9/l. 24-26).

tage of the institute compared to the Textile College or to public training institutes catering to the garment industry, most of which generally entertained very limited contacts to employers. This characteristic of the BIFT's student intake was related to the fact that the institute needs to be understood as a BGMEA-owned institute in every aspect. The employers' association, or a faction within this organisation respectively, not only initiated the establishment of the institute and overviewed the employment of its staff and the development of its courses but it started to virtually control both the intake of students and their absorption by the labour market. BGMEA's control over the BIFT necessarily implied that its link to the – comparatively few – FDI-backed garment companies were limited, most of which did, due to expatriate human resources, not need to rely on industry-specifically trained local employees. A further, third important characteristic of the student intake was the fact that those who enrolled at the BIFT were generally interested in working in the garment industry – which was another major difference to the Textile College or to public training institutes that catered to the garment industry.

This third characteristic of the intake, the willingness of the students to work in the garment industry, needs further clarification. Even though both employers and the academic staff of the institute began to be of the view that skills were especially lacking in the production departments of the Bangladeshi garment factories, the graduates from BIFT were hardly prepared to take up employment in these departments but were particularly interested in working in merchandising. Not only were wages in these departments somewhat higher but also was this type of employment related to higher social status. For the same reasons, employment in merchandising was attractive for the graduates of the fashion design programme as well. As fashion departments continued to be rare in the Bangladeshi garment industry and as pattern making departments, the work tasks of which are partially akin to that of fashion design, were considered to be of low status, graduates started to gravitate to merchandising.[1183] The characteristics of the social demand also had a direct impact on the overall development of the course programme. On the one hand, programmes that imparted skills for production-related areas, such as productivity development and quality control either had to be cancelled or were run with insufficient student num-

[1183] On the unwillingness of graduates to work in the production departments see BD_Int_Firm02_Representative1 (p. 9/l. 32-35); for similar comments on pattern making departments and on graduates being employed in the merchandising departments see BD_Int_Firm04_Representative1 (p. 2/l. 34-35), BD_Int_TrainOrg02_Representative1 (p. 4/l. 2-4), BD_Int_TrainOrg02_Representative3 (p. 2/l. 37-39 & p. 3/l. 1-2).

bers.[1184] On the other hand, the social demand for merchandising and marketing related courses was high, so that, in 2008, the institute could start an MBA programme for Apparel Merchandising.[1185] Since its establishment in the year 2000, the development of the BIFT was thus not only influenced by the agency of BGMEA representatives but, likewise, by the characteristics of the social demand from students, whose occupational aspirations were being matched by the entrepreneurs who employed them in specific departments of their firms.

Apart from the BIFT, other private educational organisations, namely a number of private universities, started to offer degree programmes that catered to the garment industry and were driven by the social demand for degree programmes that facilitated entry into the more reputed segments of the garment industry. The first respective programmes offered by private universities were designed as B.Sc. courses in textile engineering with optional specialisations in garment technology.[1186] The academic programme thus rather likened that of the Textile College in Dhaka than that of the BIFT, which was certainly a consequence of the fact that a high number of former professors and students of the Textile College started to teach at the private universities. A few years after the establishment of the BIFT, some private universities also started to employ former staff of the BIFT and thus managed to offer courses that virtually copied some programmes of the BIFT, for instance those in fashion design or apparel merchandising.[1187]

From the mid-1990s onwards, private organisations providing formal skill formation programmes catering to the garment industry did, however, not only develop at the degree level. At the technician level, a high number of organisations providing skills formation programmes emerged with hardly any initial backing by employers' associations and donor organisations. Resulting from the increasing demand by some of the technologically more sophisticated firms, both local and foreign, for technically trained personnel (see section 12.1.3) and from the rising competition between school leavers and graduates to find employment in some of the higher paying jobs in the industry (see section 10.2.1), the number of such private training organisations

---

1184 BD_Int_TrainOrg02_Representative2 (p.2/l. 16-18)
1185 BGMEA Institute of Fashion and Technology (2007a)
1186 For an overview of textile and garment-related programmes at private universities see Project Promotion & Management Associates Ltd. (2006, p. 134).
1187 See, for instance, Primeasia University (2009).

started to grow fast.[1188] Not regulated by any public authority, these commercial organisations began to strongly differ in terms of quality, which indeed motivated some of the respective owners to ask BTEB to develop standards, against which their programmes would be benchmarked in order to contain pressure from competitors that tried to attract students rather through low prices than through sound training.[1189] At the vocational level there emerged a high number of non-government secondary schools that offered the vocational courses on dress making and tailoring and generally were, as their counterparts in the public sector, criticised for being too academic, for not catering to the needs of the labour market and for being driven by the demand of students eager to proceed towards higher education.[1190] There indeed, however, emerged a number of private organisations that were exempted from this critique and that started to serve as show-pieces for donor organisations, which were either interested in demonstrating the higher relevance of training offered by private providers or in providing the planners in the public sector with a model how relevant training programmes were to be developed.

One of the most prominent examples started to be the Underprivileged Children Education Programme (UCEP), an NGO whose programmes were entirely funded by DFID, SDC and by a number of other bilateral donors.[1191] In fact, the organisation started to feature some characteristics, which, compared to state-funded vocational training agencies, rendered the trainees comparatively employable. Some reasons for this being the case were certainly the facts that that the private sector representatives were involved in the process of planning the courses, that curricula were developed jointly by local staff familiar with the garment industry and expatriate consultants, that the machinery was comparatively less outdated, that the instructors had industry experience and that the transition into the world of work was facilitated by a job-placement team at the schools and by respective agreements with the authorities of the export processing zones.[1192] More importantly, however, the children entering the UCEP-schools all hailed from the poorest sections of the urban areas in Bangladesh and were thus prepared to work in the garment industry as operators or me-

---

1188 For an overview of private training organisations catering to the garment industry see GTZ (2007).

1189 BD_Int_TrainOrg10_Representative1 (p. 9/l. 20-26)

1190 World Bank (2000c), p. 26

1191 BD_Int_TrainOrg22_Representative1 (p. 2/l. 43)

1192 BD_Int_AdminUnit1_Representative1&2 (p. 3/l. 7-9), BD_Int_TrainOrg22_Representative1 (p. 1/l. 32-36)

chanics, as it obviously meant social mobility to them.[1193] This in contrast to many public skill formation organisations, as the following section will show.

12.2.3.2 Public skill formation organisations

Despite the growth of private skill formation organisations that increasingly catered to the technologically more advanced local and FDI-backed garment companies in the years after 1995, there also emerged a whole number of new skill formation programmes offered by public training organisations, and the ones previously established underwent considerable changes. As we will see, the development of this part of the Bangladeshi out-of-firm skill formation regime of the garment industry was, over the major part of the post-1995 period, mainly driven by state agencies, but there was an increasing tendency of private sector entrepreneurs to influence the respective social dynamics as well.

As we have seen in section 12.2.2, the programmes by the BMET and by the Textile College were virtually the only ones offered by public skill formation organisations that specifically catered to the garment industry in the years prior to 1995. These two organisations would remain important in the years after but both of them also suffered from the fact that the representatives of the private sector were reluctant to collaborate more strongly with the representatives of these skill formation organisations. This problem was particularly evident in the case of the training programmes by the BMET; as pointed out in section 12.2.2, these courses didn't qualify for any more donor support after 1995, as BGMEA hadn't shown any interest in financially contributing to the further development of the courses by BMET. Not only having employed a number of instructors but also having installed machinery for training, the BMET decided to continue to offer training programmes nevertheless, thus without the financial support by donors and garment entrepreneurs. This also led to considerable changes in the nature of the training programmes.

Whereas in the previous years the consultants had provided short-term training courses for staff employed in garment factories at different occupational levels, the length of training programmes was now extended and training was primarily provided for school leavers without work experience in the garment industry. This rationale was already underlying the courses for sewing machine operators, who were trained in three batches from 1995 until mid-1996. All the trainees were selected by the staff

[1193] BD_CV_TrainOrg22_Trainees (row f), BD_CV_TrainOrg23_Trainees (row f)

of the training centre, were undergoing courses with a length between three and six months and didn't need to have worked in the industry but to have attended school up to grade 8.[1194] After one year, the courses were abolished and substituted by two courses, a course of 3 months on sewing machine operation and maintenance and a course of 4 months on pattern making, marker making and cutting.[1195] Some years later, in 2002, the courses were extended to 6 months and renamed as courses on industrial garments manufacturing and machine maintenance and on marker design and pattern making.[1196] Furthermore, the BNP government decided in 1995 to approve a project that aimed at introducing a number of new courses in the different TTCs of the country and went about to rapidly implement the project before the next government came into power in 1996.[1197] One of the courses to be introduced in the TTCs was the 3 months industrial sewing machine operation and maintenance course that had been started at the BGTTC in Dhaka and was extended to 6 months after 2002. All these courses had the same enrolment criteria as the course for sewing machine operators introduced at the BGTTC in 1995.

The development of the courses in itself marked a further step away from the earlier course system developed by the expatriate consultants prior to 1995. The admission requirements became more elitist and the contents of the courses were broadened, encompassing more than just one occupational area, as it was hoped that the employability of students passing out from the institute would be enhanced. Furthermore, the extension of the length of courses led to increasingly academic curricula, which the instructors had compiled on the basis of the comprehensive course material prepared by the consultants. The academic bias of curricula may indeed be explained on the grounds that they reflected the professional backgrounds of the instructors who had developed the course material. As mentioned in section 12.2.2, the instructors in the BGTTC in Dhaka had undergone higher education in non-technical fields and were normally lacking industrial experience. Most of the instructors in the other TTC's that were visited for the purpose of this study had similar backgrounds, even though there again were a few exceptions. Many of them had, furthermore, undergone a training programme at the TTC and were subsequently employed by the

---

1194 BD_Int_TrainOrg01_Representative1&5 (p. 2/l. 15)
1195 Ibid. (p. 2/l. 19-21)
1196 Ibid. (p. 3/l. 1-7); for curricular material of these courses see Bureau of Manpower, Employment and Training (2002a), Id. (2002b)
1197 Planning Commission (1996), p. 225

BMET as instructors.[1198] Those instructors with the lowest educational qualifications and most industry experience were work-shop assistants. They normally had only done their SSC or HSC and subsequently joined the industry before working for a TTC.[1199] Certainly, the force of instructors was likely to press for longer, broader and less practically oriented courses. In fact, the decision to extend the length of the previous courses was taken because of the demands from the instructors, who were interested in teaching their students, as one instructor put it, "the syllabus in a more detailed way".[1200] The strong impact by instructors on the contents of these training programmes corresponded with the weak respective leverage of employers.

At the same time, the academic bias of the garment-related courses at the TTCs also reflected the characteristics of the social demand. One instructor stated:

> "(…) the certificate which the students acquire after taking part in the three months course isn't of any use. They can't even show it to any place to get a job. Maybe that is why we have applied again, again and again that it would be better if the course duration was six months. And you know, when it became a six months course, they could use the certificates as well as they could utilize the time."[1201]

This quotation is instructive in several ways. First, it suggests that the trainees didn't seem to mind investing their time in training and accepting the opportunity costs of training, which reflected the social backgrounds of the targeted clientele. In fact, a rough analysis of the biographies of students in the visited TTC suggests that most of them belonged to the lower half of the middle-class, as a high number of them had government servants as their fathers.[1202] Their middle-class origin is also brought out by their educational backgrounds: the majority of the interviewed trainees at the BGTTC in Dhaka stated that they had done at least an HSC, many of them also having passed university education.[1203] In the TTCs that were situated in other parts of the country, educational qualifications of the interviewed students were con-

---

1198 BD_CV_TrainOrg19_Instructors (rows g, h, j & l), BD_CV_TrainOrg20_Instructors (rows g, h, j & l), BD_FNotes_TrainOrg03 (p. 6/para. 2.1, 2.2 & 3), BD_FNotes_TrainOrg21 (p. 6/para. 2.1, 2.2 & 3, p. 7/para. 2.1, 2.2 & 3, p. 8/para. 2.1, 2.2 & 3)

1199 See, for instance, BD_FNotes_TrainOrg03 (p. 7/para. 2.1, 2.2 & 3).

1200 BD_Int_TrainOrg21_Representative1 (p. 2/l. 32-33)

1201 BD_Int_TrainOrg03_Representative1 (p. 5/l. 14-16)

1202 See, for instance, BD_CV_TrainOrg19_Trainees (row f), BD_FNotes_TrainOrg21 (p. 10/para. 9, p. 11/para. 2 & p. 12/para. 2).

1203 BD_Int_AdminUnit02_Representative1 (p. 4/l. 10-13), BD_Int_TrainOrg01_Representative6 (para. 3.1), BD_Int_TrainOrg01_Representative7 (para. 3.1), BD_Int_TrainOrg01_Representative8 (para. 3.1), BD_Int_TrainOrg01_Representative9 (para. 3.1), BD_Int_TrainOrg01_Representative10 (para. 3.1), BD_Int_TrainOrg01_Representative11 (para. 3.1).

siderably lower, the majority of them only having passed SSC.[1204] Still, these were comparatively accomplished educational backgrounds in rural Bangladesh.

Second, the quotation suggests that the positions aspired for by at least some of the trainees were in those segments of the labour market, where employers recruited employees rather on the basis of educational credentials than on the basis of them having acquired specific skills. The evidence on the absorption by the labour market which was gathered for the purpose of this study suggests that some of the trainees with at least an HSC got employment as supervisors or quality controllers in garment factories.[1205] These employment opportunities were still comparatively rare. As documented in section 12.1.3 only a minority of firms started to fill these positions with individuals who neither had worked there as operators nor enjoyed privileged access to the recruiting personnel through personal relations. In these firms, human resources departments began to search potential new, of course, male recruits with comparatively high educational qualifications. As the number of applicants who passed an HSC or did a Bachelor's degree was rising, a certificate from a well-known public training agency, the BMET, was certainly a comparative advantage in the labour market. The perceived value of the certificate was, in the eyes of the trainees, therefore less dependent from the work-related skills being taught at the training centre than from the length of the course itself.

There were further segments of the labour market aspired for by many trainees of the TTCs, where recruitment processes, in the eyes of the trainees, emphasised the value of the certificate itself. One such segment was employment in the public sector, namely as instructors at TTCs or at training centres under the Ministry of Education. As a university degree was a basic requirement to enter such a position and as the recruitment process in the public sector favoured academic achievements, this clientele was similarly more interested in the academic side of the course programme.[1206] Further segments of the labour market aspired for by trainees from the TTCs were those abroad, for instance employment in the garment industry in the Middle East. Again, recruitment in general but especially by the more reputed recruitment agen-

---

[1204] BD_CV_TrainOrg17_Trainees (rows i), BD_CV_TrainOrg19_Trainees (rows i), BD_CV_TrainOrg20_Trainees (rows i), BD_FNotes_TrainOrg21 (p. 9/para. 6, p. 10/para. 10, p. 11/para. 3, p. 12/para.3)

[1205] On employment of passed out trainees as supervisors see BD_Int_AdminUnit03_Representative1 (p. 4/l. 4-6), BD_Int_TrainOrg05_Representative1&2 (p. 5/l. 30-31).

[1206] BD_Int_AdminUnit03_Representative1 (p. 5/l. 7-10), BD_Int_TrainOrg03_Representative1 (p. 3/l. 10-14)

cies was strongly based on an appraisal of educational qualifications.[1207] At the same time, there were, especially in the TTCs in the rural areas, a high number of female students, who were not prepared to work in the garment industry and were also not looking for a position as a trainer at a TTC but were interested in acquiring the skills for domestic use.[1208]

This evidence suggests that the development of the BMET course programmes was mainly driven by the social demand for credentials and by an administration that aimed at providing low-cost access to industry-specific credentials which increasingly were, especially in the urban areas, also provided by private training organisations. Even though many firms employed the trainees of the TTCs, particularly those of the Dhaka-based BGTTC, the coalition of actors backing these programmes did thus not include the entrepreneurs themselves; as we will see, this narrow set of actors would make the institutions governing these programmes more susceptible to radical change.

The situation at the Textile College, which had, already in the years prior to 1995, opened a separate department that aimed at preparing its students for employment in the garment industry, was quite different to the one at the BMET. As we have discussed in section 10.2.1, increasing privatisation in the Bangladesh education and training sector especially affected the public degree-awarding organisations. This was also true for the Textile College in Dhaka. Even though enrolment in the college continued to be associated with high social status and even though particularly the students specialising in garment technology started to be increasingly recruited by the non-production-related segments of the garment industry, namely by the merchandising departments and by the buying houses, the college began to face a number of difficulties that partly followed from the development of private degree-awarding organisations.[1209]

One main challenge for the Textile College was its declining teacher-student ratio, which went down from approximately 0.75 in the mid-1990s to 0.12 in 2008.[1210] This decline was, on the on hand, the result of a national strategy to increase the enrolment into higher education and of the lack of funds to attract a sufficient number of

---

[1207] BD_FNotes_TrainOrg19 (p. 2/para. 2.1); on recruitment practices for overseas labour markets see Khan (2003, pp. 305f).

[1208] BD_FNotes_TrainOrg21 (p. 4/para. 4), BD_Int_TrainOrg03_Representative1 (p. 3/l. 14-16)

[1209] On employment of graduates in the garment industry see BD_Int_TrainOrg10_Representative1 (p. 6/l. 41-44), BD_Int_TrainOrg10_Representative2 (p. 5/l. 25-28).

[1210] Computed on the basis of information from BD_Int_TrainOrg10_Representative1 (p. 7/l. 31-34).

teachers; on the other hand, it was also a consequence of the growing number of private degree-awarding organisations that started to employ the lecturers of the Textile College as their own teachers. A second challenge resulting from the privatisation process was that the Ministry of Education did not allow the college to start further specialisations that would directly cater to the needs of the industry, for instance a programme on fashion design that had been under discussion for many years.[1211] The ministry's stand was related to the growth of private skill formation organisations, notably of the development of the BIFT. Whereas, in the beginning of the 1990s, BGMEA had lobbied the authorities to have a specialisation in garment technology introduced at the Textile College, the development of a specialisation in fashion design would have meant serious competition for the respective degree programme at the BIFT. BGMEA, an organisation with tremendous political leverage, not only declined to cooperate in terms of curriculum development but would also have influenced policy makers to prevent the college from introducing the specialisation at the Textile College in Dhaka.[1212]

Whereas the college in Dhaka was partly hindered to offer garment-related programmes that were catering to potential social demand, the Ministry of Textiles decided to upgrade some of its Textile Institutes to degree-awarding Textile Colleges, which were to offer programmes similar to the ones at the existing college in Dhaka, including the specialisation on garment technology.[1213] As these colleges had tremendously profited from the political support of a former textile minister and senior BGMEA member and as they were located far from Dhaka and thus meant no serious competition for the BIFT, BGMEA did not oppose the proposal.[1214]

The development of garment-related programmes both at the BMET and at the Textile College in Dhaka document that the collaboration with the representatives of the industry was a difficult venture, and this even then, when the industrialists were involved into the establishment of programmes at an early point and when there had been tremendous support by donor agencies. The case of the Textile College also suggests that the further expansion of programmes was hindered by opposition from the side of the entrepreneurs. Lacking support from the side of industrialists was, however, no serious barrier to the development of further public skill formation or-

---

1211 BD_Int_TrainOrg10_Representative1 (p. 5/l. 29-30)
1212 Ibid. (p. 5/l. 41-42)
1213 Department of Textiles (2005a), p. 6
1214 On the development of the institutes in the beginning of the 1990s see Department of Textiles (2005b, p. 14).

ganisations. Important examples in this regard are the development of the vocational and technical training programmes, which were introduced under the aegis of the Ministry of Education in the years after 1995.

In the second half of the 1990s, the development of the vocational and technical education system in Bangladesh was marked by the rapid expansion of the number of schools offering courses at the SSC (Voc) level at the state-funded Vocational Training Institutes (VTIs) – or the Technical Schools and Colleges (TSCs) as the VTIs were called after 2000 – and the non-government secondary schools. As we have noted in section 10.2.2, this reform was part of a strategy to vocationalise secondary education, i.e. to enrich academic secondary education with vocationally oriented and more practical contents – against the explicit advice by donor agencies, which would soon criticise this reform to be excessively supply-driven. Most of the courses implemented in the first years of the SSC (Voc) reform were catering to trades that were commonly taken up by men, e.g. carpentry, welding and civil construction. As the decision makers both at the DTE and at the BTEB were, however, of the view that girls should attend SSC (Voc) and HSC (Voc) programmes as well, these organisations started to develop courses catering to this part of the school population.

The first two of these courses were introduced in the second part of the 1990s at the SSC level only and focused on dress making and food processing.[1215] The course on dress making, mainly oriented towards domestic production of clothing, was introduced in TSCs and non-government schools but also at the Textile Vocational Institutes to which a number of weaving schools had been upgraded in the first part of the 1990s.[1216] Some years later, BTEB developed a follow-up course at the HSC level on clothing and garments finishing, which was explicitly oriented towards the work in the garment industry and was to be attended by those students who had successfully passed the SSC (Voc) examinations and would open them the doors of a number of diploma and degree-awarding organisations in the country.[1217]

[1215] Rafique (1998), p. 50

[1216] On the reorganisation of weaving schools see Planning Commission (1993, pp. 70f); on the introduction of SSC (Voc) at the Textile Vocational Institutes see Department of Textiles (2001, p. 24), Planning Commission (2000, p. 101); over the course of the years, two more courses at the SSC (Voc) level were introduced in the Textile Vocational Institutes. As these courses for "Weaving" and "Dyeing and Printing" were entirely oriented towards employment in the textile mills, these courses will not be discussed in more detail; for the respective course material see Department of Textiles (2000).

[1217] Bangladesh Technical Education Board (2003)

Similar to the courses under the BMET, the implementation of the SSC (Voc) and the HSC (Voc) courses resulted in teaching practices which were academically oriented and thus only to a very limited extent related to the practical aspects of garment production. The major part of the time dedicated to the practical subjects was thereby spent on theoretical instructions, during which students were noting down the elaborations of their instructors. One may attribute the academic orientation of the SSC (Voc) and HSC (Voc) courses to the fact that curricula and syllabi were hardly developed in cooperation with representatives of the garment sector but were mainly the products of administrators at the BTEB and the professionals of the Textile College in Dhaka, who all represented an academic approach to vocational and technical education.[1218] However, one of the key reasons for the academic bias of training was the fact that the examinations of both SSC and HSC (Voc) programmes rather rewarded rote learning than practical skills.

This bias was reinforced by a number of factors, some of which were already discussed in the elaborations on BMET above. One such factor was that instructors in the trade-related subjects had undergone higher education or had a diploma from a Textile Institute but were lacking working experience in the garment industry.[1219] At one school offering the HSC (Voc) programme, the only garment-related practical experience gained by instructors was the training undergone at a TTC in another town.[1220] There were, of course, exceptions, especially among the instructors trained at Textile Institutes, whose work experience had, however, rather been acquired in textile mills than in garment factories.[1221] The academic bias of the SSC (Voc) and the HSC (Voc) programmes was, furthermore, reinforced by the fact that the required equipment was partly lacking. Whereas this problem was less pronounced at the SSC level, where the students in the practical classes were mainly taught to produce traditional Bangladeshi clothes, for the production of which domestic sewing machines were sufficient, the situation at the HSC level was different.[1222] There, the contents of the practical subjects were decidedly oriented towards the garment industry

---

[1218] For the World Bank's critique of curriculum development at the BTEB see World Bank (2000c, p. x & 43); for information on the curriculum development process see BD_Int_AdminUnit04_Representative1 (p. 1/l. 21-22).

[1219] BD_CV_TrainOrg16_Instructors (rows g & n), BD_CV_TrainOrg17_Instructors (rows g & n), BD_CV_TrainOrg18_Instructors (rows g & n)

[1220] BD_FNotes_TrainOrg16 (p. 5/l. 38f)

[1221] BD_CV_TrainOrg11_Instructors (rows n & o), BD_CV_TrainOrg12_Instructors (rows n & o), BD_CV_TrainOrg13_Instructors (rows n & o)

[1222] On the production of traditional Bangladeshi clothes in the SSC (Voc) programme see, for instance, BD_FNotes_TrainOrg18 (p. 2/l. 7).

and referred to operating electrified and more expensive machines; but most training centres were not in a position to impart the practical skills to operate industrial sewing machines, as machines were either lacking or not functioning because of insufficient power supply; furthermore, a considerable part of the practical subjects of the HSC (Voc) programme was dedicated to preparing students to operate machinery that was not available at any training centre, for instance industrial washing machines.[1223] Because of this dearth of machinery, some schools started to neglect the practical aspects of the examinations or to handle them in a way which aimed at demonstrating the authorities of the BTEB that practical aspects were indeed being examined.[1224]

The curricula of both the SSC and the HSC (Voc) programmes provided that the possible lack of practical training within the schools was to be compensated by industrial attachments; the execution of industrial attachments for the two programmes was, however, riddled with a number of further difficulties. At both the SSC and the HSC level, students were generally sent to tailoring shops in the proximity of the school.[1225] As the tailors in the workshops were used to having their apprentices for a number of years during which the trainees were gradually being familiarised with the trade, most tailors were reluctant to actually involve the students into practical work. The industrial attachments thus mainly consisted of a period of a few weeks during which groups of maximum 20 students visited a workshop and observed the tailors doing their work.[1226] The representatives of several schools, however, stated that, in many cases, industrial attachments could not be organised at all or had to be conducted by the regular instructors on the premises of the schools, as tailors were not prepared to welcome students in their workshops or as some parents didn't allow their daughters to undergo training in a workshop that they considered to be a male domain.[1227] Even though the practical contents of the HSC curriculum would have required a more industry-based industrial attachment, placements in the garment industry were hardly organised, as not only were the geographical distances to the next

---

1223 BD_Int_TrainOrg18_Representative1 (p. 2/l. 13-15)

1224 BTEB did not have the manpower to ensure that practical aspects of the examinations were conducted by a representative of the board and that marks were given on the grounds of an assessment of the instructors. In those schools, where practical equipment was lacking, instructors had ample scope to give marks for practicals that had, in fact, not taken place.

1225 BD_Int_TrainOrg16_Representative1 (p. 2/l. 23-24)

1226 See, for instance, BD_FNotes_TrainOrg16 (p. 2/l. 34-35), BD_FNotes_TrainOrg18 (p. 2/l. 9)

1227 On the reluctance of parents to send their daughters for industrial attachments see, for instance, BD_Int_TrainOrg14_Representative1 (p. 1/l. 21-22); on the organisation of industrial attachments on the school premises see BD_FNotes_TrainOrg13 (p. 2/l. 7-8).

garment factories too long but also were the instructors lacking the necessary contacts to send their HSC students to a garment factory.

Similar to the TTCs under the BMET, the academic bias of the instruction process of SSC and HSC (Voc) programmes matched the characteristics of social demand. In fact, students of these programmes were even more inclined towards acquiring rather the credentials than the skills, as both programmes were part of the ladder leading to higher education, for instance to the Textile Institutes offering a programme at the diploma level.[1228] Again, most students came from the lower-middle classes, with a high number of them having fathers working in the public sector. This group of students was particularly large at the HSC level of the TSCs, where the families of the students needed to be in a position to bear the high opportunity costs of schooling for two more years.[1229] Most of the trainees in the schools offering garment-related SSC and HSC (Voc) programmes thus, on the one hand, hailed from families, which hoped to send their child for higher education and were not prepared to send their children to work as apprentices or employees in tailor shops or as operators in the garment industry.[1230] Indeed, some students stated that they would be eager to work in the industry as supervisors in case they would be barred from entering the higher education system;[1231] but as most firms in their recruitment processes at the supervisory level continued to give preferential to internally promoted candidates, this occupational aspiration was only matched by limited economic demand. Certainly, some schools stated that a few students had gone to work in Dhaka but they remained exceptions.[1232]

Despite the problems to link the programmes to the world of work, these courses had become an integral part of the out-of-firm skill formation regime of the garment industry. Of course, the World Bank and likeminded critics of vocationalised secondary education criticised the SSC (Voc) courses for being too academic and for not catering to the needs of the labour market; this critique, indeed, led the administration to take up some of these concerns, and it therefore engaged in partly remedying this situation, for instance by introducing, under a UNESCO-funded technical assistance

---

1228 Rafique (1998), p. 54

1229 BD_CV_TrainOrg17_Trainees (row f), BD_CV_TrainOrg18_Trainees (row f), BD_CV_TrainOrg19_Trainees (row f), BD_FNotes_TrainOrg13 (p. 6-9)

1230 This is especially true for female students from lower-middle class families who are not allowed to migrate to towns for employment purposes; see, for instance, BD_FNotes_TrainOrg18 (p. 2/para. 5.3).

1231 See, for instance, BD_Int_TrainOrg16_Representative2 (p. 1/l. 32-33).

1232 BD_FNotes_TrainOrg16 (p. 3/l. 1-2), BD_FNotes_TrainOrg18 (p. 2/para. 5)

project, the so-called activity sheets that were aimed at increasing the practical aspects of instruction at TSCs.[1233] Such reforms of very limited scale did, however, not result in higher collaboration by the representatives of the private sector. In fact, it was sufficient for the administration to only engage in cosmetic changes of the programmes, as the political backing of the SSC (Voc) programmes was unabated in the view of the large social demand they had created.

The strategy to strongly vocationalise secondary education in Bangladesh that was underlying the development of the SSC (Voc) stream after 1995 and that had been officially stated in the Fifth Five Year Plan in 1997 also included the expansion of the number of polytechnics, from a mere 20 to 75. Five of the additional polytechnics, thus planned the government, were to be Mohila Polytechnic Institutes, i.e. polytechnics for women.[1234] Two years after the publication of the Fifth Five Year Plan, the DTE, therefore, submitted a proposal to establish three of these institutes with the help of the Islamic Development Bank (IDB), which was prepared to finance the construction of the buildings, the procurement of equipment and the development of training material.[1235]

During the subsequent negotiations between the DTE and the IDB, it was decided that one of the polytechnics for women would offer a diploma programme on garments design and pattern making technology that would be the first one at a polytechnic to explicitly cater to the garment industry. The programme was to be conducted by the newly established institute in Chittagong, the second most important centre of garment production in the country, and aimed at catering to the technician level of the occupational hierarchy within the firms. Similar to the implementation of the SSC and HSC (Voc) programmes, the realisation of the diploma programme at the school level had a clear academic orientation that indeed reflected the overall aims of the educational planners in the DTE and the BTEB but would make most entrepreneurs sceptical vis-à-vis the relevance of the training for their firms.

The process to develop the curriculum was, as in the case of the SSC and HSC (Voc) programmes, coordinated by the BTEB that commissioned the teachers of the Textile College in Tejgaon to draft the curriculum in cooperation with principals and teachers from the Textile Institutes and a few representatives of the textile and the

---

1233 For a critique of the SSC (Voc) programme, see, for instance, World Bank (2000c, p. 26); for an example of an activity sheet see Directorate of Technical Education (2006).

1234 Directorate of Technical Education (2002), p. 2

1235 Ibid., pp. 2f; for the official approval see Planning Commission (1999, p. 198).

garment industry.[1236] Even though the planners thought to develop a curriculum that would also focus on garment design, no expert in this field could be hired from academia or from the private sector; in fact, the BIFT was, at that time, already running its own course on fashion design and therefore not prepared to cooperate in this regard.[1237] The curriculum developed by this team certainly reflected its composition. Similar to the curriculum taught at the Textile Institutes, the first three semesters entirely focused on textile technology; the garment-related subjects that started in the fourth semester included a wide range of aspects of garment production but did not specifically prioritise pattern making and design. Whereas pattern making was being covered in two semesters, no subject was planned to explicitly focus on garment design.[1238]

The first batch of the diploma course on garments design and pattern making technology started in 2006 in an entirely new building outside the heart of Chittagong, whose garment laboratory included a wide range of machines, including sophisticated industrial sewing machines, cutters and other equipment that had clearly not been procured on the basis of a detailed analysis of the curriculum but rather reflected the agendas of the individuals involved into the procurement process.[1239] Similar to the SSC and HSC (Voc) programmes, there was a lack of instructing personnel with sufficient industrial experience that would not only have been in a position to teach both the theoretical and practical aspects of the diploma programme but would have disposed of personal links to the garment industry. Due to a variety of administrative problems at the polytechnic institute the garment department thus employed – instead of seven – no more than two instructors. The more senior of the two instructors had a diploma from a Textile Institute and had previously worked as an instructor for dress making and tailoring in a non-government secondary school but had never been employed in the garment industry. This lack of qualified instructors finally even forced the institute to stop enrolling students in the garment-related course in 2007.[1240]

1236 BD_Int_TrainOrg10_Representative2 (p. 4/l. 35-36)

1237 BD_Int_TrainOrg10_Representative1 (p. 5/l. 1-4)

1238 Bangladesh Technical Education Board (2007a); see also Id. (2007b), Id. (2007c), Id. (2007d), Id. (2007e).

1239 Some of the most expensive machines included an embroidery machine and a collar press machine; the operation of the latter is, in a factory, generally the responsibility of a semi-skilled operator.

1240 On the curriculum vitae of the respective instructor and on the need to employ more instructors see BD_FNotes_TrainOrg26 (p. 2 /l. 12-13 & p. 4/l. 1-8).

Similar to the scenario observed at the schools offering SSC and HSC (Voc) programmes, the academic bias of the programme was reinforced not only by an academically outlined curriculum and the primarily academic background of the force of instructors but also by the characteristics of social demand and the persistent lack of economic demand from the side of the private sector. On the one hand, social demand, as observed during the visit, emanated from young women with a middle class background, the majority of which, again, had fathers working in the public sector and were eager to go for higher education once they finalised the diploma programme.[1241] On the other hand, the instructors anticipated that the economic demand for the female students, the most senior of which were, at the time of the visit, only in their fifth semester, would be low in the beginning but might develop over the years.[1242] Their main concerns were, in line with the arguments outlined in section 10.1.3, that most employees in the garment industry, even at a more senior level, had been promoted from the ranks and were thus sceptical to employ persons with a more academic background that might challenge their own positions. The main challenge for the future graduates may, in fact, be to overcome the gender bias in the garment industry, where women were generally employed as operators only, whereas the senior positions were held by males.[1243]

This programme of the polytechnic institute in Chittagong, limited as its scope may be, documents some of the key challenges of the public skill formation programmes. One of it was the fact that the goals underlying this and many other programmes by public skill formation organisations were not shared by the industrialists. The institute in Chittagong aimed at increasing the share of females at the technician level of the garment industry. Other public skill formation organisations, the TSCs for instance, aimed at other socio-political goals, e.g. at increasing access to secondary education in order to contribute to overall social mobility, and the programmes of the TTCs under the BMET were, at least the way they were structured before 2007, legitimised on the grounds that their wide coverage of skills contributed to the overall economic growth of the garment industry. Undoubtedly, these goals, even the latter one, didn't belong to the priorities of most employers in the Bangladeshi garment industry. Accordingly, programmes by public skill formation organisations did not need to be backed by employers but of a political-administrative coalition that supported the re-

1241 BD_CV_TrainOrg26_Trainees (row f), BD_FNotes_TrainOrg26 (p. 4/l. 32-39)
1242 BD_Int_TrainOrg26_Representative1&2 (p. 4/l. 1-2)
1243 Ibid. (p. 3/l. 36-37)

spective goals and also felt obliged to consider the social demand for the respective programmes. The coordination of the out-of-firm skill formation regime had thus become more complex over the years. The remainder of this chapter will now delve more specifically into this issue.

12.2.3.3 The coordination of the out-of-firm skill formation regime

In the years prior to 1995, out-of-firm skill formation programmes for the garment industry in Bangladesh were primarily conducted by the BMET and the Textile College, whose efforts in this field had been, indeed, formally approved by the Planning Commission, but were not actually coordinated by any overarching authority. As elaborated in section 10.2.2, the only organisation which would have had the mandate to come up to this task, the NCSDT, had been defunct since its establishment in the 1980s. In the years after 1995, the complexity of the out-of-firm skill formation regime of the garment industry increased tremendously. The main reason for this increase in complexity was the emergence of more public skill formation organisation and of a large group of private training organisations. As pointed out in the previous section, a large number of public training organisations was set up under the Ministry of Education, under the aegis of which only the Textile College in Dhaka had previously offered its programmes. In this context, the role of the BTEB was considerably strengthened, as both the development of the curricula and the administration of the respective examinations was overseen by this organisation. In addition, the BTEB had now also started to operate as the only organisation that was entitled to accredit programmes offered by private training organisations that were prepared to meet BTEB's quality standards.[1244] Nevertheless, the courses by BMET, which had been the first ones to cater to the garment industry in the beginning of the 1990s, were still beyond the control of BTEB, and the BTEB certainly never played a role as a coordinating agency that would have assumed the responsibilities originally entrusted to the NCSDT.

In the context of the phase out of the MFA, notably in the years after 2005, this fragmented mode of coordination of the out-of-firm skill formation regime of the garment industry was taken to new heights. There were two main reasons for this development. On the one hand, a number of donor agencies started to increase their interventions in the field of skill formation for the garment industry and, at least partly,

[1244] BD_Int_AdminUnit04_Representative3 (p. 1/l. 16-20), BD_Int_TrainOrg15_Representative1 (p. 1/l. 41-43)

aimed at also assuming a coordinating role in this regard. On the other hand, representatives of the private sector started to lobby key representatives of the government to make them adjust existing training programmes along the lines of their suggestions.

The verve of donor organisations to strengthen skill formation programmes for the garment industry was mainly focussed on supporting the efforts of employers' associations, i.e. BGMEA and BKMEA, in the field of training and on strengthening private training organisations that catered, as pointed out in section 12.2.3.1, to the increasing social demand for formal skill training. The donor organisation that had traditionally provided direct financial assistance to private sector organisations was one of the first donor organisations to become active in this field: the World Bank Group's International Finance Corporation (IFC) launched a Small Enterprise Development Facility (SEDF) that financially supported a number of small skill formation organisations. Most of these organisations were commercial training centres, which both offered their consultancy services to the garment industry and conducted out-of-firm training programmes for those planning to join the industry or to improve their prospects for promotion;[1245] in addition, however, SEDF also supported the Department for Industrial and Production Engineering of Bangladesh's prime technical university, BUET, which had started to offer its consultancy services to a few higher value-adding firms interested in comprehensively overhauling their production processes.[1246]

Over the course of the years, the two largest donors that financially supported programmes of private training organisations catering to the garment industry, however, became the Delegation of the European Commission (EC) and the German government that operated through GTZ. In the context of its Small Projects Facility Programme, the EC funded a Sweater Manufacturing Training Centre (BSMTC) at the BGMEA-backed BIFT from 2003 onwards that aimed at retraining potentially retrenched garment worker and a productivity improvement programme that was implemented in direct cooperation with BKMEA.[1247] Furthermore, the EC's Bangladesh Quality Support Programme (BQSP) featured a component that aimed at further developing the training programmes of the BIFT through cooperation with overseas training organisations and planned to place the former TIDC – the National Institute

---

1245 Kabir and Denecke (2007), p. 6; on the activities of a training organisation supported by SEDF see BD_Int_TrainOrg08_Representative1 (p. 3/l. 25).

1246 Kabir and Denecke (2007), p. 6, BD_Int_TrainOrg04_Representative1 (p. 3/l. 8-9)

1247 Kabir and Denecke (2007), p. 3; on the implementation by BKMEA see BD_Int_TrainOrg07_Representative1 (p. 2/l. 6-7).

of Textile Training, Research and Design (NITTRAD) – under the private management of BTMA, the association of the textile manufacturers.[1248]

Similarly, GTZ's project for the Promotion of Social, Environmental and Production Standards (PROGRESS), starting in 2007, directly sponsored a wide range of short-term training programmes that generally catered to the management level and were jointly organised with both BGMEA and BKMEA and also involved representatives of the German retail trade.[1249] GTZ furthermore engaged in coordinating the different efforts to prepare Bangladesh's garment industry for the years after the phase out of the MFA through the means of a Multistakeholder Forum that involved donors, employers, labour unions and buyers; GTZs' efforts in this regard finally resulted in the formulation of a strategy paper, the so-called "development proposal", and to four papers that outlined the priorities for future funding by donors, government agencies and employers' associations alike. One of the main concerns of these documents was to further increase the productivity of the industry through considerable investments into in-firm and out-of-firm training. It was therefore suggested that the industry would need, by 2009, to profit from the services of three institutes, one for technical and quality skills, one for workers and supervisors and one for management skills respectively, and that, by the end of 2010, 100 percent of owners and managers and 40 percent of all the workers in the garment industry should have undergone productivity training.[1250] For the main authors of these documents it was clear that the associations, rather than government agencies, would need to play a key role in the implementation of these plans. The service providers, thus the suggestion of the authors, would need to be accredited by BGMEA and BKMEA so that the services could be implemented "as demanded by the factory owners".[1251]

Even though both of these employers' associations were certainly not reluctant to profit from the financial support by donor agencies, these two organisations had somewhat different priorities when interacting with donors; BKMEA, on the one hand, traditionally catering to the owners of the more technology-intensive knitwear factories, used the donors' support to promote its image as an association that supported its members' efforts for higher value addition and therefore lobbied for more technical

---

1248 United Nations Industrial Development Organization (2004); on the implementation of private management structures at NITTRAD see Khan (2007, p. 7), United Nations Industrial Development Organization (2007, p. 14); see also BD_Int_DonorOrg01_Representative2 (p. 2/l. 4-7).

1249 Kabir and Denecke (2007), p. 4

1250 Multistakeholder Forum Bangladesh for Garments (2007a), p. 30

1251 Id. (2007b), p. 3

training for technicians and managers;[1252] BGMEA, on the other hand, was rather seeking donor assistance to expand out-of-firm operator training, which it indeed achieved when the training centre for knitting operators was opened at the BIFT with funds from the EC.[1253] Undoubtedly, the donors' direct financial support of the two main employers' associations of the garment industry contributed to the leverage of these associations vis-à-vis the government in terms of the further development of out-of-firm skill formation programmes. The remainder of this chapter seeks to illustrate this development in more detail by elaborating on the events subsequent to the inauguration of the EC-funded training centre for knitting operators at the BIFT.

In fact, the opening of the centre in 2007 itself helped BGMEA to give more publicity to their need for operator training and to convince the Chief of Army Staff, the then unofficial head of the state who was present at the respective inauguration ceremony, that their concerns were legitimate.[1254] This lobbying effort not only led to government agencies being instructed to start short-term operator training programmes but also to further donor agencies being asked to contribute in this regard.[1255] Obviously, the government now felt that such a larger training scheme would not only mitigate the lack of trained operators but also open up opportunities for social mobility to the poorest segments of the Bangladeshi society.[1256] Thus, a scheme for operator training was developed that used existing training centres of the BMET and of the Department of Youth Development, whose training programmes the employers did not consider to have been responsive to their needs so far. Subsequently, the government decided that donor-funded NGO's and representatives of the army would select the trainees and cover their cost of living during the training period, that the training organisations would conduct short-term training programmes and that BGMEA would take the trained operators to the urban areas and employ them in their firms.[1257]

A few months after the negotiations had started, the scheme was implemented at the TTC in the north of the country, which had previously conducted the much broader and considerably longer course on industrial garments manufacturing and

---

1252 BD_Int_TrainOrg07_Representative1 (p. 2/l. 27-41)
1253 On a senior BGMEA representative's stand on operator training see BD_Int_Association01_Representative4 (p. 4/l. 23-26).
1254 BD_Int_TrainOrg02_Representative1 (p. 7/l. 28-31)
1255 Ibid. (p. 8 /l. 21-23 & p. 10/l. 10-13)
1256 BD_Int_Association01_Representative4 (p. 3/l. 29-31)
1257 Unknown author (2007a)

machine maintenance. as decided by the different stakeholders, the trainees of the course were selected by a donor-funded NGO, which was, in the case of the BMET training centre, an organisation implementing DFID's Char Livelihoods Programme (CLP), a programme that aimed at the socio-economic development of people living in flood-affected areas in the north-west of Bangladesh.[1258] In contrast to the earlier course, the trainees of this scheme thus had comparatively less privileged socio-economic backgrounds and had lower educational qualifications, which made them – similar to the trainees of UCEP (see section 12.2.3.1) – consider employment in the garment industry a means for social mobility.[1259] The course had a length of one month instead of six and was based on a very detailed, entirely practically oriented curriculum that had been developed by the instructors at the BIFT.[1260] As the involved BGMEA representatives were of the view that not only the previous curriculum had been too broad and irrelevant but also that most instructors were lacking industry experience, several of them were trained at the BIFT and were subsequently sent for on-the-job training at the factory of the main initiator of the programme.[1261] Once the trainees passed out from the course at the TTC, they were brought to firms in the greater Dhaka area, most of which belonged to influential BGMEA members.[1262]

As mentioned above, the scheme was also implemented at the training centres of the Department of Youth Development that were instructed to train operators for the knitwear industry. The first of these training centres was implemented in another town in the north of Bangladesh; in contrast to the scheme at the TTC, the trainees were not selected by a donor-funded NGO but by representatives of the army, the district administration, BGMEA and the training agency.[1263] As no public training organisation had experience in training for the knitting sector, BGMEA not only developed the curriculum but provided both knitting and the linking machines and the trainers, all of which had previously worked as operators in factories of BGMEA members.[1264] Similar to the TTC, BGMEA members directly drove the first trainees to their firms to em-

---

1258 BD_Int_TrainOrg03_Representative2 (p. 1/l. 6-10)

1259 BD_FNotes_TrainOrg03 (p. 8/para. 6, p. 9/para. 11, p. 10/para. 14, p. 11/para. 17, p. 12/para. 20); on the comparatively lower educational qualifications see BD_Int_TrainOrg03_Representative1 (p. 4/l. 1-6).

1260 BGMEA Institute of Fashion and Technology (2007c), Technical Training Centre Bogra (2007); on the implementation of the curriculum see BD_Int_TrainOrg03_Representative1 (p. 2/l. 43-45).

1261 BD_Int_Association01_Representative2 (p. 1/l. 23-28), BD_Int_TrainOrg03_Representative1 (p. 2/l. 32-35)

1262 BD_FNotes_TrainOrg03 (p. 3)

1263 BD_FNotes_TrainOrg25 (p. 2/l. 1-12)

1264 Bangladesh Forces et al. (2007a), Id. (2007b), BD_FNotes_TrainOrg25 (p. 5-7).

ploy them as operators. After the second batch, however, this practice stopped, as the demand for trained operators was slackening. The passed-out trainees therefore had to go to Dhaka themselves to seek employment in the industry and often came back to their hometown, which resulted in less demand for the training offered at the centre of the Department of Youth.[1265]

Realising that both government agencies and donors organisations were open to support the entrepreneurs' quest for trained operators, the BGMEA representatives continued with their lobbying efforts:[1266] in 2007, they made plans to use the training facilities of ANSAR, a paramilitary organisation of volunteers under the army of Bangladesh, and also approached representatives of the World Bank to inquire whether resources allocated to a social development project could, similar to DFID's CLP, be used to upscale the scheme for operator training.[1267]

The government agencies whose training centres were used for the scheme partly remained sceptical of it. Notably the BMET was of the view that the previous courses had been more comprehensive.[1268] Their critique, however, was not sufficient to hinder policy makers from arranging further agreements with the entrepreneurs. Following a meeting of the concerned minister with representatives of BGMEA and the BIFT, the latter visited the BGTTC in Dhaka and began to elaborate plans to adapt the programmes offered by the centre.[1269] At first, the garment entrepreneurs simply planned to integrate the BGTTC in its scheme for operator training;[1270] after protests from the side of the BMET and subsequent further negotiations, however, the BMET agreed to introduce short and occupation-specific courses for supervisors, pattern makers and sewing machine mechanics, all of which were developed by instructors of the BIFT.[1271] Despite this compromise, these developments document that the employers associations' of the garment industry had become, by the end of 2007, influential organisations, whose agency had started to tremendously influence the development of the Bangladeshi out-of-firm skill formation regime of the garment industry.

1265 Ibid. (p. 2/l. 20-24)
1266 BD_Int_Association01_Representative4 (p. 4/l. 5-8), BD_Int_TrainOrg02_Representative1 (p. 11/l. 2-5)
1267 Unknown author (2007c), p. 1, BD_Int_DonorOrg02_Representative1 (p. 1/l. 35-37)
1268 BD_Int_AdminUnit2_Representative1 (p. 4/l. 41-43), BD_Int_TrainOrg01_Representative1 (p. 3/l. 22-23)
1269 Unknown author (2007c), p. 1
1270 Id. (2007b), BD_Int_AdminUnit2_Representative1 (p. 7/l. 7-8)
1271 BD_Int_TrainOrg01_Representative1&5 (p. 3/l. 17-18)

Part E Final Part

13 The empirical evidence from a historical-institutionalist perspective

Parts C and D have shown that the trajectories of the skill formation regimes of the garment industries in Sri Lanka and Bangladesh have developed in a markedly path-dependent way. The following chapter will now condense the empirical evidence from a historical-institutionalist perspective that looks at both country-specific and common aspects of the trajectories of the two skill formation regimes. A first section concentrates on the institutional contexts of the skill formation regimes – on the education and training regimes and on the garment production regimes respectively. A second section ponders on the path-dependent development of the in-firm and of the out-of-firm skill formation regimes and thereby follows, similar to some of the empirical chapters, the temporal structure defined by the crucial junctures in the development of the global garment industry. It will be here that, for the first time in this study, the theoretical concepts of historical institutionalism will be thoroughly applied; thus, I will concentrate on critical junctures in the trajectories of the regimes and on the respective sequencing and timing of events; I will also point to positive feedback mechanisms and increasing returns of specific institutional arrangements and will document the complementarities between in-firm and out-of-firm skill formation arrangements. Furthermore, I will scrutinise – as is commonly done in the historical-institutional and in the political-economic literature more generally – the breadth of coalitions underlying specific skill formation arrangements and discuss the respective effects on different types of institutional change. On the basis of these considerations, I will then, in the following chapter, assess the basic argument that has been underlying this study.

13.1 Institutional contexts of the skill formation regimes

13.1.1 The education and training regimes

When Sri Lanka's and Bangladesh's economies became integrated into the global garment production trade towards the end of the 1970s, the education and training regimes of the two countries were quite distinct from each other: At that time, Sri Lanka had high literacy rates and its primary and secondary schools not only catered to the upper echelons of society but also to the lower-middle and to the lower classes in the country. As social demand for educational credentials was high and as the number of jobs in the formal segment of the labour market was growing slower than

that of school leavers and of graduates, the country experienced an inflation of the value of educational credentials from the 1960s onwards. In contrast, Bangladesh's literacy rates were considerably lower and the primary and secondary schools, both public and private, catered to the very small middle and upper classes of the country but neither to the lower nor to the lower-middle classes. The restricted and highly elitist access to education consequently didn't result in any inflation of the value of educational credentials in the country.

These strong differences between the education and training regimes resulted from very different historical trajectories: In Sri Lanka, the characteristics of the education and training regime were a result of the efforts in nation building by the political elite of the newly independent country in 1947: At that time, the welfare state in the island had expanded to a much higher extent than in other parts of the Indian subcontinent, and it became the goal of the indigenous political elite to continue this policy which catered to the most important part of their electorate, the lower-middle classes of the Singhalese community in the south of the country. Notably after 1956, when the SLFP came into power for the first time, the education and training regime was increasingly governed by egalitarian institutions, through which the development of private and English medium schools was repelled and state funds could be channelled into the expansion of the general education system. The early post-independence years of educational development in the then Ceylon thus clearly marked a critical juncture that initiated positive feedback mechanisms, from which both the political and administrative elite of the country gained in influence and on the basis of which lower-middle classes of the country were given the possibility of social mobility despite increasing competition in the labour market and the subsequent decrease in the value of educational credentials.

In contrast, Bangladesh's postcolonial nation-building process was enormously protracted, which hindered the widespread expansion of public primary and secondary schools. Whereas in Sri Lanka, the political elites used educational expansion for their political purposes, the political elites of the Pakistan period continued to rely on private schools, the costs for which could not be afforded by the majority of the population in East Pakistan. At the time of Bangladesh's independence in 1971, the Awami League government indeed tried to increase enrolment rates by nationalising the primary schools but even then – and under subsequent governments – the major part of the socio-economically disadvantaged segments of society would find it hard

to bear the high opportunity costs of primary education, which tremendously stifled social demand for education.

Even though the education and training regimes of the two countries differed with regard to access to primary and secondary education, they shared a number of important similarities: First, both primary and secondary schools taught on the basis of highly academic curricula that, similar to the years under the British, aimed at preparing students for clerical jobs both in the private and the public sector and for the universities. Second, both countries – similar to what is being reported from India – tremendously restricted entry into universities, especially into the technical faculties, which thus secured their aristocratic seclusion;[1272] by this means, they would continue, for many decades, to mainly cater to the interests of the upper-middle and upper classes of the country, who were interested in securing their social status and their exclusive access to the most prestigious segments of the labour market. Third, governments in both countries had, by the late 1970s, hardly invested into the development of technical and vocational education and training programmes and thus continued a further legacy of British rule. The existing practically-oriented skill formation programmes were mainly school-based and had originally been geared towards the skill needs of public works departments and of industries in the public sector; most programmes either had a comparatively academic orientation and thus were more prestigious or had a more practical bias that prepared trainees for the less prestigious occupations at the craft level. Especially in Sri Lanka, many of these programmes also started to have a strong socio-political focus, as they aimed at imparting vocational skills to educated but unemployed youth.

When Sri Lanka's and Bangladesh's garment industries started to expand from the mid-1980s onwards, both the common and the more country-specific characteristics of the two education and training regimes were re-produced to a great extent. The main difference between the two regimes – the enormous disparities in terms of literacy rates and in terms of enrolment at the primary and at the secondary education level – was reduced to some extent but was certainly not compensated by the donor-backed efforts of the Bangladeshi government to increase enrolments into primary and secondary schools. In Bangladesh, an enormous share of educational expansion was borne by private schools which received state subsidies to pay the teacher salaries. In 1991, the country's legacy to expand education through private initiative was

[1272] On the "aristocratic seclusion" of some Indian technical universities see Chitnis (1993, p. 25).

carried forward to the tertiary level, when the incoming democratic government – upon pressure from the increasingly powerful middle classes – passed a law that allowed private degree-awarding organisations to be established. The subsequent surge of private universities and training organisations was interrelated with a growing number of private sector firms in the urban areas that started to ask for higher educational credentials and industry-specific skills, which was in itself a result of the previous expansion of secondary and university education that made educational credentials more widespread among job seekers. In Sri Lanka, there was, from about the mid-1990s, a similar growth of private schools, degree-awarding organisations and training centres. This growth was, however, not actively promoted by the Sri Lankan government and was the result of the social demand by the growing middle-classes for credentials which were more prestigious than those offered by public universities and training centres and thus allowed them to conserve their comparative advantages in the labour market.

Even though donor agencies began to abstain from launching projects in the vocational education and training sector, both countries started to tremendously expand the intake into vocationally and technically oriented skill formation programmes after 1995. In both cases, these programmes were school-based and strongly emphasised the academic aspects of skill formation. Being mainly driven by the social demand for credentials, these courses earned little interest from the side of the private sector entrepreneurs in the two countries but were to considerably influence the development of the out-of-firm skill formation regimes.

13.1.2 The garment production regimes

The export-oriented garment production regime in the two countries emerged towards the end of the late 1970s. This evolution resulted, on the one hand, from the availability of export opportunities originating from the changes in the global garment production regime and, on the other hand, from economic liberalisations that were enacted by the two governments at that time. The new garment factories generally supplied garments to overseas buyers, which again sold these items to their customers in the West, mainly in the US and in Europe. Yarn and fabric – imported from abroad – were supplied by the buyers, which also provided for the design of the products and for the marketing. The firms therefore concentrated their business on labour-intensive cutting, making and trimming (CMT) of garments. In both countries, economic liberalisation and the subsequent emergence of such companies led to a

new group of individuals, the garment entrepreneurs, whose interests not only were distinct from their employees but also from those of the few other groups of entrepreneurs. Thus, employers' associations emerged whose political leverage would continuously grow over the next few decades – notably at the cost of the labour movements, which had become tremendously politicised and fragmented.

Despite these basic similarities, the garment production regimes of the two countries differed in a number of important aspects, namely in terms of influx of FDI into the country and in terms of the characteristics of the local entrepreneurs that entered the garment industry. In Sri Lanka, the economic liberalisation after 1977 was radical compared to that of other developing countries at that time. The reforms aimed at fostering private sector led economic growth by attracting FDI and thus included relaxations for this type of investment, extensive tax holidays and the development of investor-friendly infrastructure, notably in the FTZ. These policies, of course, reflected the liberal ideology of the then ruling party, the UNP, but also were a desperate move of the government to gain access to foreign currencies, to regain the support of the donor community and, most importantly, to reduce unemployment in the country. Beyond that, the garment production regime would also be influenced by the fact that the local entrepreneurs, who now either entered into joint ventures with foreign investors or started to directly supply garments to overseas buyers, had gathered experience in textile-related trading and manufacturing during the previous decades when Ceylon's local manufacturers were protected by import-substituting economic policies.

In contrast to Sri Lanka, the influx of FDI into the Bangladeshi garment industry was very limited: Here, entrepreneurs from the NIE's and other parts of the world principally decided not to directly invest into production but to source garments from local manufacturers. This was the result of economic policies, which aimed at fostering export-oriented and private sector led economic growth but were less conducive for FDI. Thus, there grew a strong group of local entrepreneurs that enjoyed considerable political patronage and would, in the beginning of the 1980s, form BGMEA, Bangladesh's first employers' association in the garment industry; this association itself became inimical to potential competition emanating from foreign investors and would lobby the government to continue its policies in this regard.

The comparatively small extent of FDI influx into the garment industry was, however, not the only reason why Bangladesh's garment production regime developed

so differently than Sri Lanka's. In fact, the protracted nation-building process not only restrained educational development but also the development of an industrial base in that part of the Indian subcontinent which had belonged to its most industrialised ones prior to the East Indian Company's rule over Bengal. In the postcolonial, hardly industrialised East Pakistan, Bengali entrepreneurs in fact had little access to the privileges extended to business people from the western part of Pakistan, who tremendously profited from the government's import-substituting policies and thus began to own virtually all of the few industrial ventures in this part of the country. By the end of the war of 1971, many of these entrepreneurs had either died or left the country, which resulted in a dramatic void of industrial experience and talent. Most of the state-owned enterprises developed in the 1970s were thus run very inefficiently and only provided limited opportunities for local entrepreneurs to gain experience in business and industrial production and to develop the respective social networks. The very rapid growth of the garment industry from the late 1970s onwards was thus borne by entrepreneurs, who were lacking experience in industrial production and were, beyond that, profiting from the funds and the patronage, which the governments at that time extended to potential political supporters.

After the mid-1980s, when most Western countries had imposed quota on garments from both Sri Lanka and Bangladesh, the garment production regime in both countries started to be tremendously influenced by the incentives provided by the quota system. Thus, some of the important institutions that were underlying production of garments were invigorated in both countries: Most companies continued to engage in CTM production processes and to manufacture garments for overseas traders and buyers, which provided their suppliers with fabric, accessories and design and marketed the products in the West. The quota system contained little incentives to venture into the production of higher value-added, non-quota garments, to become involved into other segments of the garment supply chain by moving beyond CTM production or to substantially invest in productivity improvement. The quota system, however, not only resulted in the reproduction of considerable elements of the garment production regimes but led to some crucial transformations, notably with regard to the constellation of actors.

Thus, not only the similarities but also the differences between the two garment production regimes were invigorated, notably the differences in terms of how governments interacted with the garment entrepreneurs. In Sri Lanka, political instability

in the country was at stake again: not only had the war in the north intensified in the second part of the 1980s, which resulted in many foreign investors leaving the country for other destinations, but also experienced the island another insurgency in the south. It was in this context that the government decided to use the quota system for its own political purposes by introducing the 200 Garment Factories Programme that basically provided manufacturers with a number of incentives to establish garment factories in the rural parts of the country. The programme had tremendous effects: In contrast to the expansion in the immediate post-1977 period, the growth of the industry in the early 1990s was strongly carried forward by local, mainly Singhalese manufacturers who enjoyed the personal support of the Sri Lankan president. As the incentives provided by the government under the programme created a new group of entrepreneurs, two more employers' associations emerged, which fragmented the collective bargaining power of the entrepreneurs but increased the voice of the local, Singhalese manufacturers.

In contrast to Sri Lanka, Bangladeshi entrepreneurs now started to increase their political leverage by using the quota regime for their own purposes: representatives of BGMEA were in a unique position to assist the public servants in their negotiations with the respective governments in the West; at the same time, they invigorated their pressure on the government to restrict entry into the garment industry to new entrepreneurs, which considerably reduced the competition in the industry. The position of the garment manufacturers, namely vis-à-vis the owners of textile mills, was further strengthened by the World Bank, which was pressing the government to further liberalise economic policy. In the early 1990s, when the leverage by the Sri Lankan government over the garment industry was as strong as never before, the situation in Bangladesh was quite different: A senior BGMEA member now entered the BNP-government as a minister and started to press for further concessions to the local garment entrepreneurs. In both countries, however, the transformation in this period led to local entrepreneurs and their associations becoming increasingly powerful actors.

When the Agreement on Textiles and Clothing (ATC) was signed by the stakeholders of the Uruguay Round process in 1995, it was decided that the quota regime, which had governed the global garment trade for the last two decades, would be gradually phased out by 2005, with incremental liberalisations in 1998 and 2002. During the ten years after 1995, the global competition in the garment trade therefore

increased, even though garment manufacturers from some less industrialised countries, notably those from Bangladesh, were given privileged access to the European market under certain conditions. More competition in the garment trade primarily meant pressure to increase productivity by lowering production costs, which was strongly felt by the entrepreneurs both in Sri Lanka and Bangladesh. This pressure was further corroborated by the concentration of power in the hands of fewer buyers, particularly in those of European and US-American retailers.

This outside pressure on the garment production regimes in both countries resulted in them being transformed with regard to a few but highly crucial aspects. First, even though the majority of garment factories continued to be involved in relatively simple CTM processes, a number of companies transformed their production processes in a way, which would render them more competitive in the period after 2005. This process was more pronounced in Sri Lanka, where labour costs were considerably higher. There, a few companies not only improved their productivity and engaged in higher value-added production but entered into direct contact with their end buyers and were provided with better opportunities to engage in industrial upgrading: They thus gradually moved their ventures away from the exclusive focus on CTM production and entered new segments of the garment supply chain. At the same time, these companies gained leverage over their competitors by involving many of them into sub-contracting arrangements and by becoming the uncontested leaders of JAAF, a newly formed umbrella organisation of all garment associations that started to coordinate and to reinforce the lobbying efforts.

In Bangladesh, the garment production regime underwent a similar but much less pronounced transition: Even though only few companies started to strive for industrial upgrading, a small but growing number of entrepreneurs transformed their ventures by improving labour conditions and productivity. Furthermore, a new group of industrialists came up, which concentrated – in the wake of the new incentives provided under the scheme by the EU – on the more technology and skills-intensive production of knitwear. As a consequence, BGMEA's hegemony was challenged by the emergence of another association, BKMEA. Thus, both organisations individually started to lobby the government and donor agencies for assistance in various domains by referring to the looming phase out of the MFA. In any event, the lobbying power of the garment entrepreneurs continued to grow in both countries in the period after 1995. And both in Sri Lanka and Bangladesh, the respective employers' asso-

ciations would play a crucial role with regard to the institutional transformations of the skill formation regimes.

13.2 The path-dependent development of the skill formation regimes of the garment industries in Sri Lanka and Bangladesh

13.2.1 The development of the skill formation regimes before the quota regime

Having reviewed the trajectories of the education and training regimes and the garment production regimes of Sri Lanka and Bangladesh, this chapter turns to the condensed analysis of the trajectories of the skill formation regimes. It mainly aims at assessing – from a historical-institutionalist perspective – in which way the country-specific sequences of the educational expansion and of the expansion of the garment industry have influenced the institutional development of the respective skill formation regimes or, to put it more straightforward, whether the country-specific sequences themselves have resulted in the differences between the two regimes.

In-firm skill formation regimes

The early expansion of the garment industry both in Sri Lanka and Bangladesh was characterised by a rapidly growing number of firms that were engaged in labour-intensive cutting, making and trimming (CMT) of garments for exports and that mainly depended on the labour of socio-economically disadvantaged female operators, most of which came from the rural areas. Despite these basic similarities, the in-firm skill formation regimes began to develop in a very country-specific and path-dependent way.

Sri Lanka. In Sri Lanka, most factories emerging at that time were backed by foreign investors or had established strong links with their overseas buyers; for this reason, many foreign technicians were involved into establishing and overseeing the production processes and into training local operators, technicians and managers. Accordingly, the in-firm skill formation regime was mainly rooted in the institutions of apprenticeship training, which was facilitated by the fact that virtually the entire workforce was literate. In contrast to Bangladesh, the in-firm skill formation arrangements of many firms partly relied on recruiting comparatively accomplished school leavers: Many firms, both foreign and local, thus employed A-level graduates hailing from the socio-economically more privileged families of the country, who were then trained on-the-job in the different departments of the firms and employed as supervisors or as

mid-level managers. The institutions that regulated recruitment and skill formation can be considered as investment-oriented in-firm skill formation arrangements, on the basis of which employers were enabled to make their profits and thus to enjoy increasing returns of investment into training. The development of these arrangements was facilitated by effects of changes in the education and training regime and in the production regime: On the one hand, the expansion of the education system had resulted in the supply of educationally accomplished school leavers and, on the other hand, the economic reforms of 1977 led to more reputed jobs being created at the management level of the export-oriented industries. The arrangements had strong distributional effects that privileged the comparatively highly educated recruits from the upper-middle classes over the less educated employees, who were thus less likely to be promoted to higher positions within the occupational hierarchy. These in-firm skill formation arrangements, resulting from contingent social processes, would be at the core of the skill formation regime of the Sri Lankan garment industry; they would be reproduced because the early recruits of FDI-backed firms, later on, as senior managers or entrepreneurs would consider this type of in-firm skill formation arrangement as in line with their own preferences and with the production processes they were overseeing, and they would tremendously facilitate the development of complementary out-of-firm skill formation institutions.

Bangladesh. In contrast to Sri Lanka, most of the early firms in Bangladesh were not backed by foreign investors and only loosely interacted with their overseas buyers; production processes were thus soon characterised by problem solving on a daily basis and by entrepreneurs trying to sustain production in a still unknown and highly unstable business environment. In contrast to traditional crafts and to the previously developed state-owned industries, garment entrepreneurs tried to keep the investment both of time and financial capital into training at a low level. Thus, a strongly production-oriented in-firm skill formation regime developed that was exclusively rooted in the institutions of apprenticeship training and mainly relied on junior staff being provided with limited on-the-job training and being promoted by the superiors, a practice which became common at practically all levels of the occupational hierarchy. The management staff either consisted of those close to the entrepreneurs, who had picked up the skills from rare interaction with the overseas buyers, or of staff promoted from the supervisory or even from the operator level. Employment at the upper echelons of garment production, therefore, didn't become an attractive

option for accomplished school leavers, most of which had other employment opportunities, notably in the textile industry.

Despite very limited capital investments into in-firm skill formation, entrepreneurs made tremendous profits, which, in this very competitive business environment, would have been lowered by investments into the skills of new recruits that were highly likely to be poached by other firms. In contrast to Sri Lanka, these arrangements had strong distributional effects that privileged loyal, experienced employees who were lacking formal technical training; many later senior managers or entrepreneurs, who were trained under such circumstances, would consider this type of in-firm skill formation arrangement as in line with their own preferences and with the production processes they were overseeing and they would thus be strongly engaged in reproducing this type of production-oriented in-firm skill formation regime. This would not only complicate the later efforts for more investment-oriented in-firm skill formation but also impede the development of complementary out-of-firm skill formation arrangements.

Out-of-firm skill formation regimes

Sri Lanka. In Sri Lanka, the early development of the out-of-firm skill formation regime of the garment industry was characterised by the emergence of programmes offered by different state agencies after 1977. The first important programme in this regard, a result of the efforts by the previous government to strengthen the textile industry, was a diploma programme for textile engineers at the Moratuwa University. At that time, social demand for the programme was low and it would produce graduates who did not seek employment in the nascent garment industry but preferred to join the textile mills. In contrast to similar programmes in Bangladesh, this programme, however, laid the foundation for a subsequent collaboration between the respective university department and key representatives of the garment industry. At that time, in the years up to 1985, two training organisations, initiated by industry-related government agencies, were more prominent than the university's diploma programme, because they both aimed at facilitating the growth of an FDI-backed garment industry: On the one hand, the government decided to have a training centre established in the neighbourhood of the upcoming FTZ by one of its most prominent training agencies in order to provide the foreign investors with a skilled operating workforce. On the other hand, the government, with the support by the World Bank, established the CITI, a training institute for the clothing industry that provided practi-

cally oriented short-term skill formation programmes to already employed technicians and managers, many of which would become industry leaders in later years. Even though the entrepreneurs and the two main employers' associations, the FTZMA and the SLAEA, would not have been prepared to initiate any out-of-firm training programmes, notably the development of the CITI was well received by the entrepreneurs, as its programmes complemented the in-firm skill formation institutions that had emerged in many firms and thus contributed to the entrepreneurs' increasing returns. At the same time, the programmes at the CITI corroborated the development of entrepreneurs' preference for industry-specific formal training, which would strongly facilitate the development of further out-of-firm skill formation programmes.

In the same years, out-of-firm skill formation programmes developed which didn't emanate from the initiatives of production-oriented ministries and thus weren't mainly rooted in the government's rationale to rapidly expand the export-oriented industries. The textile-oriented programme at the Open University, for instance was a consequence of the post-1977 government to rapidly expand university education. Accordingly, it was entirely under the control of the ministry in charge of higher education that was lacking the contacts to the textile industry. Similar to the programme at the University of Moratuwa, this programme met with little social demand, and it did thus not start to complement the skill formation institutions in the textile and the garment industry, a difficulty, which would – in contrast to the programme by the University of Moratuwa – never be overcome. Nevertheless, the programme survived as its phase out would have sparked protests from the respective instructors and the larger community of educationists, who would have criticised the government for moving away from educational egalitarianism.

Bangladesh. In Bangladesh, the early years of the expansion of the garment industry were paralleled by the expansion of textile-related technical education programmes that were offered by organisations under the ministries in charge of education and in charge of textile industry development. This strategy was in line with the publicly declared aim that textile production, i.e. the production and processing of yarn and fabric, was to be supported by the BNP government. In contrast to Sri Lanka, no formal skill formation programmes for the garment industry emerged in these years. This lack of formal training reflected the fact that the early development of the garment industry in Bangladesh was not mainly a result of an explicit policy change but rather of concessions extracted by the garment entrepreneurs. As these

entrepreneurs had started to make their profits on the basis of production processes that required virtually no formal training, there didn't emerge any political pressure emanating from individual entrepreneurs or from their association, the BGMEA, to establish an institute along the lines of the CITI.

13.2.2 The development of the skill formation regimes under the quota regime

In-firm skill formation regimes

As the quota system provided little incentives to venture into the production of higher value-added, non-quota garments, to get involved into other segments of the garment supply chain and to substantially invest in productivity improvement, the quota system invigorated, in both countries, the attractiveness of low value-added CTM production.

Sri Lanka. In Sri Lanka, the in-firm skill formation regime was partly transformed during the quota regime. Similar to the early years of Bangladesh's expansion of the garment industry, the growth of the Sri Lankan garment industry was now driven by entrepreneurs with comparatively little industrial experience, who were – as quota allocation was highly politicised – operating in a highly volatile business environment and generally produced lower value-added items. The group of new firms thus contributed to an emerging gap between production units, which either started to gravitate towards the higher or towards the lower end of the value-added spectrum. This drift also had its implications for the in-firm skill formation regime of the Sri Lankan garment industry, which partially lost its previously very prominent investment orientation: The fast growth of the industry was paralleled by an enormous number of positions being filled with recruits who could not be adequately trained prior to employment and only received very limited on-the-job training. The lack of skilled personnel was exacerbated by the fact that many firms were established in rural areas, where educationally accomplished and experienced personnel at the technician and at the managerial level were not as available as in the more urban and industrialised parts of the country. For a number of different reasons, productivity in many of these firms dropped considerably, which rendered them unsustainable after a few years of operation and thus undermined the emergence of increasing returns from a more production-oriented in-firm skill formation regime.

Bangladesh. In Bangladesh, the quota system mainly reproduced the existing in-firm skill formation regime that had developed during the initial expansion of the gar-

ment industry and relied on the institutions of apprenticeship training and on junior staff being trained on-the-job. Only a small number of foreign investors set up firms whose production processes were comparatively more oriented towards productivity improvement and towards the upper end of the value-added spectrum. These manufacturers, however, began to establish recruitment and training practices that resembled those developed in many of the FDI-backed firms in Sri Lanka and thus placed higher emphasis on recruitment of comparatively accomplished school leavers for management positions and on them being continuously trained by both local and overseas personnel.

Out-of-firm skill formation regimes

Whereas the in-firm skill formation regimes of the two countries began to partially converge due to the quota system, the development of the two out-of-firm skill formations regimes would be more contradictory in these years.

Sri Lanka. In Sri Lanka, the development of state-provided out-of-firm skill formation programmes continued to be more pronounced than in Bangladesh, notably under the government-sponsored 200 Garment Factories Programme that had resulted in the general perception of a tremendous skills shortage in the garment industry. In the early 1990s, private but strongly government-backed training centres launched skill formation programmes for operators, whereas the University of Moratuwa – under a scheme financed by the ministry in charge of the textile industry – began to conduct practically oriented short-term courses for the technicians and managers already employed in the industry. These programmes did not reduce the concerns regarding the lack of skills in the industry but they rendered a new class of entrepreneurs and their association, the NAEA, stakeholders of out-of-firm skill formation programmes. Perhaps more importantly, the short programmes offered by the University of Moratuwa established strong linkages between this organisation and the representatives of the garment industry and thus laid the foundation for an increasingly extensive collaboration. Whereas these programmes newly emerged under the aegis of production-related ministries, some of the previous programmes – notably those offered by the University of Moratuwa and the CITI – were transformed or underwent what we have previously called institutional conversions. Even though neither donor organisations nor the ministries in charge, let alone the employers and their associations, had exerted respective pressure, both the key representatives of these organisations decided to make their programmes more academic and thus reflected one of

the key dynamics of the Sri Lankan education and training regime: the social demand for increasingly higher educational credentials. The CITI thus not only began to offer short-term training programmes but also to conduct certificate and diploma courses for school leavers, which aimed at gaining comparative advantage in the labour market by acquiring further educational credentials.

At the same time, the textile department at the University of Moratuwa, run by distinctively academically inclined teachers, upgraded its diploma programme to a B.Sc. programme, whose curriculum included several aspects of garment technology. Even though employers had never asked for programmes to become more academic, they didn't mind employing students with higher qualifications, as the credentials facilitated selection of potential new recruits. Notably the development of the B.Sc. programme unleashed, in contrast to the programme offered by the Open Univerity, a number of important positive feedback mechanisms and respective distributional effects: As, when the first students graduated in the beginning of the 1990s, the industry was growing enormously, many of them were absorbed by some of the technologically more developed production units; finding these new recruits helpful to efficiently manage production processes, the economic demand for graduates grew, which contributed to the department being linked up with the best garment factories in the country; this, in turn, further increased the status of the degree programme and made it more attractive to A-level graduates from the most renowned public schools of the country. Over the course of the years, many of the former students of the programme would move up the occupational ladder within firms and start to recruit employees with a similar educational background and, through this, to strongly back the status awarding academic inclination of the B.Sc. programme. Thus, even though the transformation of the programmes at the CITI and at the University of Moratuwa was neither driven by the government agencies nor by entrepreneurs, there developed strong institutional complementarities between these programmes and the in-firm skill formation arrangements of the technologically more developed production units.

Bangladesh. Whereas in Sri Lanka the first government-sponsored skill formation programmes that explicitly catered to the garment industry had already emerged in the late 1970s and were expanded when the CITI was established in 1984, the first such programmes emerged in Bangladesh only in the early 1990s. The most prominent programme, offered by an agency under the Ministry of Labour, imparted skills in various fields of garment production to both operators, technicians and managers

and emerged from a development project by UNDP and ILO. Even though the project lasted for four years, the impact of the programme was limited, as there was a lack of complementarities with the in-firm skill formation regime of the garment industry. In fact, the industry had grown tremendously by entirely relying on very limited on-the-job training, which resulted in positive feedbacks from production-oriented skill formation. By the time the implementation of the project was proceeding in the beginning of the 1990s, the donors' view on the role of state-funded training changed at a global level, which resulted in them pressing the private sector, notably the representatives of the increasingly powerful BGMEA, to financially contribute to the further development of the programmes. As most employers relied on production-oriented in-firm skill formation arrangements, the employers' association was not prepared to come forward in this regard; subsequently, donors withdrew and the skill formation programmes had to be continued without any financial support by donors or by the private sector. This further decreased the prospects for enhancing the institutional complementarities between the programme and the in-firm skill formation regime of the Bangladeshi garment industry.

In the same period, BGMEA convinced the government to establish a department of garment technology at the textile college and to adjust the existing degree programme for textile engineers. In contrast to the B.Sc. programme in Sri Lanka, the graduates of this programme, however, did not join the garment factories but buying offices or textile mills. The reason for this was not only that there was a sufficient number of attractive employment opportunities outside the garment industry but also that the social standing of employment even at the upper echelons of the garment industry was not in line with the aspirations of the academically trained graduates, most of which hailed from the upper-middle and upper classes of the Bangladeshi society. Those trained at the department could thus not contribute to enhancing the linkages between the college and the garment industry. Furthermore, the college did not allow entrepreneurs to nominate their own candidates as students of the department, which resulted in them becoming increasingly disinterested in this skill formation organisation. Again, there was a tremendous lack of institutional complementarities with the in-firm skill formation regime of the garment industry and a marked absence of positive feedbacks, which would have reinforced the efforts of the industrialists and their association to strengthen the programme.

13.2.3 The development of the skill formation regimes during and after the phase out of quota

In-firm skill formation regimes

Both in Sri Lanka and Bangladesh, the majority of companies only marginally, if at all, adapted the in-firm skill formation institutions in view of the challenges posed by the phase out of the MFA. These firms continued to strongly rely on a strategy that aimed at poaching experienced workers at the various levels of the occupational hierarchy from other firms and on providing them with limited on-the-job training. Particularly in Sri Lanka, this strategy was, however, undermined by high labour turnover and fewer and fewer experienced and educationally accomplished employees joining these firms because of the low respective occupational status and of the lack of attractive labour conditions. Despite this very limited transformation of the skill formation processes in most factories of both countries, a considerably smaller number of firms adapted both production and skill formation institutions within their firms in order to better cope with the changes of the global garment production regime. They thus enhanced the investment orientation of their in-firm skill formation regimes; accordingly, the returns of these businesses became increasingly dependent on such investments and on the need to document these investments to buyers.

Sri Lanka. In Sri Lanka, the strategy of a few more investment-oriented firms to move towards industrial upgrading required them to open new departments, e.g. in fashion design and marketing, all of which had to be staffed with skilled personnel in the respective technical fields. The need to improve productivity and to improve labour conditions in the firms furthered the tendency for human resources development being addressed by separate departments that re-structured recruitment and skill formation processes within firms. Here, new operators were trained outside production in separate training lines, then graded into different skill levels and subsequently absorbed into production. At the upper management level, most recruits were required to have obtained domain-specific diplomas or degrees and had to regularly undergo out-of-firm training. The distributional effects of this investment-oriented skill formation regime strongly privileged those with formal technical education and training, all the more as investing into skill formation became an essential aspect of these firms' business strategy that aimed at convincing existing and potential buyers of their genuine commitment to socially and ethically responsible garment production.

Bangladesh. In Bangladesh, the technologically more advanced companies didn't generally engage in industrial upgrading but in improving their labour conditions and in substantially increasing productivity, which required the respective in-firm skill formation arrangements to become more investment-oriented. In these ventures, more departments emerged in the fields of industrial engineering and human resources development, to which an increasing number of educationally more accomplished staff was recruited, some of them having degrees in technical fields, which would facilitate the evolution of complementary out-of-firm skill formation. As a matter of fact, this transition challenged the previous distribution of power and, therefore, caused conflicts in firms between the senior staff that had generally been promoted from the ranks and the fresh recruits, who were lacking the industrial experience but started to analyse and overhaul production processes from a more academic perspective.

Out-of-firm skill formation regimes

Whereas in the previous period, the out-of-firm skill formation regimes of the two countries still considerably differed in terms of the range of programmes catering to the garment industry, the regimes would, in the period after 1995, be affected by three common trends: First, there emerged, both in Sri Lanka and Bangladesh, more private organisations that conducted formal pre-employment skill formation programmes for the garment industry so that there evolved a market for private training. Second, a number of skill formation programmes were either introduced or adapted by public training organisations that aimed at increasing equitable access to credentials certifying vocational skills. Third, there emerged more institutional arrangements that were based on comparatively broader coalitions and thus had the support by actors both from the private and the public sector. Even though these tendencies developed in both countries, there were, however, strong differences with regard to the way the tendencies affected the overall transformation of the out-of-firm skill formation regimes.

Sri Lanka. In the years prior to 1995, out-of-firm skill formation programmes for the garment industry were primarily provided by a number of state agencies. Some of these programmes were explicitly initiated because the government wanted to back the growing garment industry; others – such as those by the Open University – were rather aimed at providing equitable access to credentials, and the programmes offered by the University of Moratuwa and by the CITI were – over the course of the years – made to respond to the social demand for increasingly higher credentials and

became more academic, even though this had never been a priority of the respective ministry, let alone of the employers. Obviously, the Sri Lankan out-of-firm skill formation regime of the garment industry was mainly state-driven but developed in an uncoordinated and fractionalised way.

In the years after 1995, this trend was partly reinforced. One of the most obvious challenges to a strongly state-coordinated skill formation regime was the further development of private training programmes. In Sri Lanka, private training centres for operators had already emerged in the previous phase, partly – especially under the 200 Garment Factories Programme – with the strong backing by the government; in the period after 1995, new training centres came up and started to impart skills at the craft and at the technician level both for school leavers and for the workforce in the industry, a development, which was, however, not unique to the garment sector but reflected the emergence of a growing Sri Lankan market for private education and training and the incremental erosion of the political coalition supporting the policy of free education.

The programmes of these training centres catered to an increasing social demand for credentials that were considered to facilitate school leavers finding employment in those firms, whose recruitment processes strongly favoured those with formal qualifications certifying the acquisition of industry-specific skills. There thus emerged considerable returns from private investments into skill formation, a process, which started to reinforce the institutions of the training market. At the degree level, private training programmes were conducted by only one training organisation that was established by one of the two largest garment companies in Sri Lanka and was complementary with the strong investment orientation of the in-firm skill formation arrangements of the respective firm. Through the training programme, the company not only recruited a considerable number of its own staff but also started to establish new contacts to crucial individual and corporate actors in its European markets, which were interested in sourcing from a supplier that was genuinely committed to socially and ethically responsible garment production. There were thus multiple returns that reinforced the institutions of a market for private skill formation programmes catering to the garment industry.

In the same period, a range of skill formation programmes were either newly introduced or adapted, a development, which resulted from the efforts of the government and of the public skill formation organisations to increase equitable access to creden-

tials. The Open University, which had aimed, since the beginning of the 1980s, at opening up avenues for educational mobility to students who didn't have the privilege to study at a conventional university, launched certificate, diploma and degree programmes oriented to the garment industry. A further diploma programme, the NDT offered by the University of Moratuwa, was restructured following violent student clashes between diploma and graduate students, which had erupted after a controversy over the social status of the diploma certificate. Both organisations thus continued to cater to some social demand and to produce graduates that were generally absorbed by the industry but the coalitions supporting the growth of these programmes neither included representatives of the more production-oriented ministries nor the associations of the entrepreneurs.

Whereas the new programme at the Open University was basically a reproduction of its traditional textile-oriented programmes and was backed by the respective instructors and some donor agencies, the NDT programme underwent a major institutional conversion: Having been the flagship of textile-related technical education for many years, the NDT saw its status threatened by the degree programme that increasingly gained the backing of employers, their associations and of the ministry in charge of higher education. The main forces behind the further reproduction of the programme mainly remained the instructors, the respective students and those parts of the educational community, which appreciated the comparatively strong practical bias of the NDT programme. The political returns from running this programme may were limited for administrators and politicians but any further institutional rupture would certainly have entailed negative political costs.

In addition, new vocational training programmes started to be offered by VTA, a rapidly growing public training organisation that enjoyed the patronage from leading politicians of the SLFP. These vocational courses were strongly oriented towards the increasing social demand for credentials that certified the acquisition of industry-specific skills and were thus perceived to be a comparative advantage in a highly competitive labour market whose recruitment processes were tremendously characterised by credentialism. Despite the fact that the respective actor coalition did not include employers and donor agencies, which criticised the programmes for not meeting the needs of the private sector, and despite partially restricted institutional complementarities with in-firm skill formation arrangements, the respective pro-

grammes created returns for politicians and administrators, who were considered to indeed provide more equitable access to credentials.

These two tendencies – the increasing number of private skill formation organisations and the further development and reinforcement of skill formation programmes that were mainly driven by the government's aim at meeting the social demand for credentials – could be seen as emblematic of an increasingly fractionalised mode of coordination of the Sri Lankan out-of-firm skill formation regime of the garment industry. When we now analyse the emergence of institutional arrangements that were based on comparatively broader coalitions, which included actors from the private and the public sector, we will see that this fractionalisation of state coordination was contained, even though the central government and the skill formation organisations now faced a new, enormously powerful association – JAAF – that was controlled by the heads of the country's two largest garment companies. In fact, on several occasions radical institutional changes were proposed by the entrepreneurs but blocked by the government or the respective organisations and thus became the basis for more incremental institutional change that was backed by enlarged coalitions of actors.

The most prominent blockage to potentially radical institutional change was the government's halt of the negotiations on the Council of Apparel and Textiles (COAT), which would, in the eyes of the key representatives of JAAF, have to become a private sector controlled body to improve the coordination and the relevance of the different out-of-firm skill formation programmes in order to move the garment industry towards what these actors perceived to be the requirements of the knowledge economy. Radical institutional changes were also averted, when the government withdrew from negotiations on privatising CITI, and when the plans to upgrade the Department of Textile and Clothing Technology of the University of Moratuwa to a separate faculty were shelved. The prevention of such potential institutional ruptures resulted from the fact that the different institutional arrangements governing the operations of these skill formation organisations were supported by broad coalitions of actors, all of which enjoyed distinct types of returns emanating from the respective arrangements.

Instead of radical institutional changes, there occurred more incremental institutional transformations that did not weaken but rather broadened the existing actor coalitions and strengthened the respective positive feedback-mechanisms. In the case of the institutional transformation of the garment-oriented VTA programmes, we

may talk of officially sanctioned *institutional decoupling*. Here, many local entrepreneurs entered into agreements with training centres that provided them with trained operators and thereby started to practically ignore the increasingly academically oriented curricula by the central authority that were considered irrelevant by the entrepreneurs.

In the case of the programmes by the textile department of the University of Moratuwa, we may talk of *institutional layering*. At this organisation, only those demands by the entrepreneurs were accepted by the authorities and the faculty, which did not undermine the department's elitist selection criteria and its high social standing. Accordingly, JAAF's proposal to establish a separate faculty was declined, as the new faculty would no more have been allowed to award the highly reputed B.Sc. degree in engineering that was reserved for the university's engineering faculty. At the same time, the department introduced a fashion-design course that was less elitist than the B.Sc. programme and prepared the students for employment in the technologically more advanced firms of the country. This further increased the coalition supporting the department as a whole and meant no challenge to the elitist reputation of the B.Sc. programmes and to the exceptional returns enjoyed by the graduates of this programme in the labour market. Institutional layering was also at play, when the plans for COAT were stalled and a number of reforms were introduced at the CITI: Not only were the entrepreneurs allowed to a greater say with regard to the nomination of the head of the organisation, but also was it planned to introduce a degree course that would lead to a credential offered by a US-based university. This would not only increase the social status of the CITI but similarly contribute to some Sri Lankan firms' reputation of tremendously investing into training, which has become an important basis for the returns of Sri Lankan manufacturers.

In Sri Lanka, the increasing lobbying power of employers' associations did not reinforce the fractionalisation of state coordination of the out-of-firm skill formation regime, as many of the public skill formation programmes enjoyed positive feedbacks emanating from broad coalitions that included both key representatives of the industry and other segments of Sri Lankan society, whose political support was important for the government. Rather, the role of the state in coordinating the out-of-firm skill formation regime and moderating incremental institutional change was reinforced.

Bangladesh. Before 1995, there were only few out-of-firm skill formation programmes for the Bangladeshi garment industry, whose provision was virtually not

coordinated at all. In the years after 1995, this fractionalisation of the regime would be considerably reinforced. As in Sri Lanka, the most obvious challenge to state coordinated skill formation was the strong and partly donor-backed expansion of private skill formation organisations, which mainly catered to social demand for the respective credentials and thus enabled school leavers from the middle classes to be employed as supervisors, technicians or executives in some of the more technology-intensive garment companies of the country. In contrast to the 1980s and early 1990s, both secondary school certificates and degrees had become more widespread, which increased the pressure on job seekers to gain comparative advantage through further credentials. The in-firm and out-of-firm skill formation regimes of the garment industry thus developed in a complementary way and the recruitment and subsequent promotion of graduates from private skill formation organisations would serve as a tremendous positive feedback that would reinforce the further expansion of this type of training and would change the distribution of power within the more technology-intensive firms for the favour of those with more formally certified, industry-specific skills.

The most prominent private skill formation organisation was the BIFT, a BGMEA-owned degree-awarding institute that was established with direct backing from the World Bank. Directly catering to the interests of individual BGMEA members, the institute became the entrepreneurs' focal organisation with regard to professional skill formation programmes for the industry. Whereas the BIFT was backed by a coalition including both donors and entrepreneurs, the latter withdrew from the coalition supporting the further development of the garment-related degree programme at the Textile College, which, in 1991, had been introduced upon lobbying by BGMEA but never started to complement the in-firm skill formation arrangements of garment factories. The trend for privatisation in the Bangladeshi out-of-firm skill formation regime of the garment industry thus clearly contributed to the further fractionalisation of state coordination.

Similar to Sri Lanka, the fractionalisation of state coordination was not only reinforced by the expansion of private skill formation organisations but also by the development of further skill formation programmes by public training agencies that – partly in response to the growth of private training organisation – aimed at providing more equal access to credentials that certified industry-specific skills. Overall, these courses, offered by the training organisations under the BTEB and by the BMET,

were characterised by a focus on generally applicable vocational and technical skills and thus did not cater to the primary interests of entrepreneurs, who were rather looking for more specifically trained recruits. Despite the obvious lack of institutional complementarities with in-firm skill formation arrangements of most firms in the country, these skill formation programmes started to enjoy strong positive feedbacks as students could use the credentials as a means to seek employment in different sectors. Whereas the private skill formation organisations thus mainly contributed to the out-of-firm skill formation regime becoming less coordinated by the state, these organisations contributed to an increasing disjuncture within the skill formation regime between those programmes which were strongly complementing the in-firm skill formation regime and those which were rather not. Understandably, the latter, based on actor coalitions that excluded private sector entrepreneurs, would be more likely to be radically transformed and thus to suffer from institutional ruptures.

In contrast to Sri Lanka, the fractionalisation of state coordination of the out-of-firm skill formation regime further increased, as those skill formation programmes, which were complementary to the skill formation arrangements of an increasing number of garment companies, were virtually all provided by the private training organisations. Here, the emergence of such institutional arrangements was characterised by institutional ruptures and renewed, *hardly coordinated institutional geneses* and by unstable actor coalitions that included employers with exclusive access to policy makers and donor organisations. The skill formation programmes by the BMET and by the Youth Department, which were virtually devoid of any institutional complementarities with the in-firm skill formation regime of the garment industry and were therefore lacking the support by the representatives of the garment industry, were completely restructured in the aftermath of the phase out of the MFA in order to provide employers, i.e. the key representatives of the main association, with skilled employees in specific occupational areas. In this context, industrialists supported government agencies to upgrade the machinery, to rapidly adapt curricula and to increase the practical skills of instructors, some of which were now recruited by the employers; but they were also given the right to select the trainees and to directly absorb them as employees of their own firms. These programmes were thus characterised by considerable rents extracted by a small number of employers. Clearly, these *institutional ruptures* were signs that actor coalitions backing institutional out-of-firm organisations were broadened and started to include representatives of the garment industry. But still, the coa-

litions were narrow and the main challenge – to build lasting institutions which were both partly complementary with the in-firm skill formation regimes and were, at the same time, providing the industry with a greater amount of higher skills – remained.

14 Assessment of the hypotheses

In the previous chapter, we have revisited the empirical elaborations of this study in detail and from a path-dependent perspective without actually delving into theoretical issues, namely into an assessment of the hypotheses underlying this study. Therefore, the following chapter is aimed at assessing the arguments presented by Ashton et al. that were discussed in section 2.3 and served as a basis for building hypotheses in section 3.2.4. There, it has been assumed that, even though Sri Lanka and Bangladesh strongly differed in terms of educational expansion at the beginning of the expansion of the garment industry, the skill formation regime of the garment industry would, in both countries, converge along the lines of what Ashton et al. have described as the neo-market model of skill formation, the main reason being the comparatively dependent position of such developing countries in the global political-economic context. In a first section, this chapter will now argue that the trajectories of the skill formation regimes differ in many important aspects, which can't be explained on the basis of the model by Ashton et al., and that the main reason for this being the case are the different country-specific sequences of educational expansion and the expansion of the garment industry. It will be here that I will – in nuce – elaborate on the institutional foundations of the comparatively high-skill formation regime in Sri Lanka and of the comparatively low-skill formation regime in Bangladesh. In a second section, the chapter more specifically addresses the model presented by Ashton et al. and will finally suggest to revise it in a number of regards.

14.1 Country-specific trajectories of the skill formation regimes

The country-specific sequences of educational expansion and the expansion of the garment industry had tremendous implications for the development of the skill formation regime of the garment industries in the two countries. In Sri Lanka, where the central government had been successfully engaged in increasing literacy rates to a high level for several decades and where the development of the educational system was already characterised by tremendous inflation of the value of educational credentials when the garment industry started to expand, FDI-backed companies found it easy to develop strongly investment-oriented in-firm skill formation arrangements that were based on the availability of literate and easily trainable workers and of educationally accomplished, westernised school leavers, who were prepared to work in the garment industry. Even though the investment orientation of the in-firm skill for-

mation regime was partly challenged by the massive and considerably less FDI-backed expansion of the garment industry in the early 1990s, it was reinforced by the increasing returns of training – partly facilitated by exogenous pressure on the garment industry – but also by emerging complementarities with a number of practically oriented early out-of-firm skill formation arrangements; even though these were initiated by state agencies, they started to contribute to the entrepreneurs' increasing returns and thus to be borne by actor coalitions that also encompassed the representatives of the private sector.

As a result of the social demand for credentials, some of the early skill formation programmes became more academic and thus underwent institutional transformations that were neither initiated by the ministries in charge nor by the entrepreneurs but started to be borne by actor coalitions that would, later on, also encompass key representatives of the industry who were interested in industrial upgrading. In addition to the state-funded skill formation organisations, there also emerged private ones, which similarly catered to the increasing social demand for credentials and were – at least in some cases – strongly interrelated with the investment-oriented in-firm skill formation arrangements of those firms which were backing the private training centres. But despite the emerging market for private skill formation programmes the public skill formation organisations didn't get marginalised; furthermore, because of the relatively broad coalitions that were underlying these organisations, respective institutional change was generally rather incremental than abrupt and, therefore, characterised by a complex process of institutional layering, conversion and decoupling; during this process, the different state agencies involved into providing skill formation programmes enhanced – partly under pressure of the increasingly powerful representatives of the garment industry – collaboration and thus increased the scope of state coordination, which would facilitate catering to the interests of both the larger and the smaller enterprises but also to those of the instructors and trainees of the existing skill formation organisations. This broad coalition of actors was thus engaged in reproducing a comparatively high-skill formation regime.

In Bangladesh, where the central government had been less successful in increasing literacy rates and where the expansion of the secondary and the higher education sector was still limited when the garment industry started to expand, the rapid growth of the garment industry, mainly borne by technically inexperienced local entrepreneurs, saw the development of an in-firm skill formation regime that was strongly

production-oriented and would, for a long time, complicate and delay the development of out-of-firm skill formation programmes. In fact, the first state-funded formal skill formation programmes were not complementing the in-firm skill formation arrangements in most firms and thus hardly met with the interests of entrepreneurs; accordingly, they were based on comparatively narrow actor coalitions and were not supported by the representatives of the garment industry.

In the years after 1995, by when not only the number of secondary school leavers and university graduates had grown but also a small number of firms had started to increase their capital investments into skill formation, there, in fact, developed industry-specific training programmes for technicians and middle-level managers, whose trainees were absorbed by the industry and were thus complementary to the in-firm skill formation arrangements of a growing number of technologically more advanced firms. These programmes were, however, generally conducted by private training organisations and catered to the most immediate skill needs of companies. The important role of the private training market – and of the subsequent disjuncture between private and public skill formation organisations – thus started to be a crucial characteristic of the out-of-firm skill formation regime of the Bangladeshi garment industry.

At the same time, public agencies increased the number of out-of-firm skill formation programmes without, however, being in a position to include key representatives of the industry into the respective coalitions backing these programmes. In the years of tremendous pressure on the garment industry to become more competitive, the government, upon pressure from the industry, intervened in order to radically change some of these programmes so they would cater to what it perceived to be the immediate needs of entrepreneurs. Again, the respective coalitions were narrow, as these programmes mainly benefited a small number of entrepreneurs with exclusive contacts to policy makers and representatives of donor organisations, and the evolution of the out-of-firm skill formation regime thus continued to be characterised by uncoordinated institutional geneses and institutional ruptures, all of which reinforced the disjunctures within the out-of-firm skill formation regime and continued to limit the scope of coordination by state agencies. The lack of an institutionalised coordination of the different actors was thus interrelated with a continuous reproduction of a comparatively low-skill formation regime.

As this analysis has shown, the trajectories of the two shop flooration regimes have evolved in a strongly path-dependent way and were clearly influenced by the sequence of educational expansion and the expansion of the garment industry. However, the analysis also demonstrates that the effects of the respective sequence were reinforced by further historical contingencies, namely by the industrial development prior to the expansion of the garment industry and by the relation between the influx of overseas technology and skills at the time of expansion and the pace of this expansion itself. If, for instance, Desh Garments, one of the first FDI-backed exporters from Bangladesh, had convinced the then government to open the doors to further investments from overseas, or if there hadn't been any war in Sri Lanka since 1983, which not only cost tens of thousands of lives and hindered economic growth in the island but contributed to the translocation of the industry to Bangladesh, this study might have been a very different one.

Furthermore, and perhaps more importantly, this section could not conceal that the trajectories of the two skill formation regimes featured, despite considerable differences, a number of similarities that are, at least partly, in line with the hypotheses that have been formulated against the backdrop of writings by Ashton et al. in section 3.2.4 of this study. In fact, the elaborations on the path-dependent trajectories have, so far, not enabled us to substantially assess and to eventually revise the model by these authors. This shall, therefore, be the task of the second section of this chapter.

14.2 Common aspects of the trajectories of the skill formation regimes

Whereas we have, in the previous paragraphs, focused on the country-specific, path-dependent trajectories of the skill formation regimes of the garment industry, this section aims at demonstrating common aspects of the trajectories of the skill formation regimes and thus at assessing and at refining the model presented by Ashton et al. As this study is based on the analysis of two cases only, the refinement will lead to a set of generalisations that has two distinct features: First, it clearly specifies – unlike functionalist or game-theoretic models on skill formation – the context, in which the generalisations have evolved, and places much emphasis on the evolution of the skill formation regimes over time. Second, this set of generalisations emphasises, unlike much of the literature on skill formation written from a political-economic perspective, the importance of the dynamics of educational systems, notably of the strong role of social demand for credentials.

The generalisations will demonstrate that, at a highly aggregate level, there are striking convergences between the trajectories of the two skill formation regimes that are indeed partly in line with the arguments by Ashton et al.; they, however, also show that any analysis of industry-specific skills formation regimes necessarily needs to combine approaches both from political economy and comparative education.

14.2.1 The development of the in-firm skill formation regimes

In both countries, the garment industry started to expand as a highly labour-intensive industrial sector that offered many disincentives for investments into in-firm skill formation. The market structure of the global garment trade allowed – as pointed out by Ashton et al. – firms to make profits without tremendously investing into the skills of their workforce. These disincentives for training were particularly pervasive in Bangladesh, where those who were provided with extensive on-the-job training were likely to be poached by other firms or – in the case of employees at the management level – to set up own enterprises. The in-firm skill formation regime was, in contrast to Sri Lanka, strongly production-oriented. There, high literacy rates, the tremendous influx of FDI and the comparatively high degree of entrepreneurial experience and skills prior to the development of the garment industry contributed to a more investment-oriented in-firm skill formation regime.

Even though this basic divergence between the two regimes would be reproduced to a considerable extent, the in-firm skill formation regimes of the two countries would partially converge over the next decades. The main reasons for these increasing similarities were that investment-oriented skill formation arrangements would, as a consequence of growing liberalisation and increasing competition in the global garment trade, become more widespread in Bangladesh and that the share of those Sri Lankan companies would grow, which were struggling with the adverse conditions in the trade and thus had to engage in more production-oriented skill formation. The “new global division of labour” thus implied – as furthermore suggested by Ashton et al. – a major disjuncture in the structure of the industry in both countries and in the in-firm skill formation regimes. Those firms, which had the necessary access to skills and capital, began to engage in productivity improvement, compliance and industrial upgrading and to emphasise the investment orientation of their in-firm skill formation regimes. These often larger firms formed segmentalist labour markets by providing, particularly at the executive level, attractive career prospects to comparatively educationally accomplished recruits, which were then more comprehensively trained on-

the-job than employees in the companies with more production-oriented skill formation regimes.

As we see, the development of the in-firm skill formation regimes developed quite similar to the suggestions by Ashton et al.'s model. This mainly results from the fact that the respective skill formation arrangements developed in strong interrelation with the production arrangements in the garment industries, which were, to a considerable extent, dependent from the economic structure of the global garment industry. Undoubtedly, exogenous processes – the emergence of a new global division of labour, the availability of global capital, the influx of which was also a result of the pressure by international organisations to open up the economy, and the increase of liberalisation and of competition in the trade – lay at the bottom of the convergence of the in-firm skill formation regimes.

14.2.2 The development of the out-of-firm skill formation regimes

Phase I: Early programmes provided by state agencies

Prior to the emergence of skill formation programmes catering to the garment industries there existed, in both countries, university-level technical education organisations that had catered, for some time, to textile mills established in the context of import-substituting strategies. Similarly, the first more comprehensive skill formation programmes for the garment industry in both countries were provided by state agencies but they were also backed by donors, which regarded the development of the garment industry as a crucial step in the countries' industrialisation process. These early programmes were relatively tailor-made and occupation-specific industrial training courses for experienced employees at the craft and at the technician level of the garment industry. The contents and the further characteristics of these programmes – e.g. the criteria for enrolment – were designed with very limited participation from representatives of the private sector but bore the imprints of technical advice by overseas consultants, which enabled the programmes to attract the interests of the entrepreneurs even then, when the skill formation programmes were not complementing the in-firm skill formation programmes.

The emergence of both textile-related technical education programmes and of the first skill formation programmes for the garment industry are, in fact, similarly in line with Ashton et al.'s arguments, as they were either directly related to import substitution programmes or were, despite economic liberalisation, inspired by the respective

thinking of public servants. For this reason, these early programmes were hardly influenced by the representatives of the industry, as the more investment-oriented entrepreneurs relied, in terms of skill formation, on segmentalist labour markets and as their more production-oriented colleagues made, for many years, handsome profits without having to invest in human resources development.

Phase II: Later programmes provided by state agencies

In a second phase, many of the early state-funded programmes were extended and their curricula tended to become more academic. This development was certainly not in line with most of the common political-economic approaches to skill formation, notably by that of Ashton et al., who suggested that state-funded skill formation programmes would either run parallel to import-substitution strategies or would result from attempts by governments to correct market-failures. In fact, in neither of the two countries these changes of the state-funded programmes were a result of explicit government strategies or of lobbying by employers – as it might be expected from a structural-functionalist perspective –, let alone of international organisations. Rather, these developments were a consequence of the fact that the public skill formation organisations were operating in social contexts that were influenced by previous educational expansion and subsequent credentialism in the labour market.

In fact, with the technologically more advanced firms starting to increasingly look for recruits with specific credentials, there grew, in both countries, a stronger social demand for qualifications certifying the acquisition of industry-specific skills. The social demand for credentials and the development of recruiting practices which started to favour educationally accomplished and industry-specifically trained recruits over less qualified competitors on the labour market were, of course, highly interdependent. In any event, both tendencies were thus affected by the aggregate effects of educational expansion, which rendered secondary school certificates and university degrees more widespread on the labour market. Whereas the early state provision of garment industry-oriented skill formation programmes at the craft and at the technician level was clearly meant to provide employers with skills that donors and public servants considered vital for the development of the industry and to sensitise employers for the need of training, the next generation of state-provided programmes thus rather catered to the social demand for credentials. Accordingly, programmes started to become broader and more academic and to lead to more formal credentials, some of which opened up further opportunities for educational upwards mobility.

As the governments aimed at ensuring equitable access to such credentials, the costs of these programmes were – in contrast to the early programmes by state agencies – mainly borne by the state and, accordingly, the representatives of the industry were not compelled to financially contribute to this sort of training either. The interest of the entrepreneurs was, however, also undermined because – in contrast to the early state-provided skill formation programmes – the new generation of such programmes lacked the support of overseas consultants and, therefore, what the employers perceived to be Western technology and skills. Furthermore, many of the programmes now started to be provided beyond the geographical centres of the garment industry and to be associated with non-garment-related segments of the labour market, e.g. with the public administration or with overseas labour markets. All these aspects made it more difficult for the representatives of these training organisations and the representatives of the industry to establish and to improve interdependent and potentially mutually beneficial liaisons.

Phase III: Programmes by private training providers

In both countries, there emerged, from the mid-1990s onwards, private training programmes catering to potential recruits or to existing workers of the garment industry. This fact is fully in line with the model by Ashton et al. However, we understand that the underlying social forces are not the ones suggested by these authors. In fact, the trend has to be seen in the larger context of increasing privatisation in the education and training system, which, in both countries, was neither a functional requirement of changes in the labour market nor a result of the pressure by international organisations but rather of the pressure by the middle classes that lobbied the governments to open up new avenues to credentials. More specifically, many programmes catering to the technician level of the industry were driven by the social demand of school leavers who aimed at being recruited by some of the technologically more advanced companies; these school leavers were looking for alternatives to the respective programmes by the state agencies, as, for instance in the case of universities, access to these organisations was complicated by comparatively elitist selection criteria or as some organisations hardly improved access to the aspired positions. Thus, there emerged, for the first time, a market for private skill formation programmes that catered to the garment industry, which entailed both serious competition for some of the state-sponsored programmes and a challenge to the public administration's previous – though limited and fragmented – role in coordinating and monitoring the existing

skill formation programmes. In contrast to the programmes provided by state agencies, the private courses, notably those at the vocational and at the technician level, were more narrow and occupation-specific and thus shorter. The fact alone that the courses were fee-levying reduced the number of potential trainees, which rendered many of these training organisations more elitist than their equivalents in the public sector and thus improved the social status of the credentials, even though they generally didn't entitle the graduates to climb the ladder of educational mobility.

Phase IV: Public-private partnerships in out-of-firm skill formation

In contrast to the model elaborated by Ashton et al. and in contrast to any other of the previously discussed theoretical approaches to skill formation both in more industrialised and developing countries, the most recent phase in the evolution of the skill formation regimes of the garment industries in the two countries was characterised by the development of institutional arrangements that were based on comparatively broader coalitions and thus included actors both from the private and from the public sector. In other words, there was an emergence of different varieties of what in the literature on public management has been called "public-private partnerships". In both countries of our analysis, this new type of institutional arrangement occurred at times of considerable exogenous pressure on representatives of the industry, administrators and politicians to avert negative growth in the garment industry following a major liberalisation of the trade. Obviously, the traditional out-of-firm skill formation regimes did not produce satisfactory results to some of the key actors, notably to the entrepreneurs, which, in both countries, were the initiators of this phase of institutional change but were, thereby, strongly supported by donor agencies.

In fact, entrepreneurs felt that, on the one hand, many of the skill formation programmes sponsored by state agencies were only of limited relevance as their contents were too broad and were hardly related to the practical aspects of garment production and partly enrolled people who were not prepared to join the garment industry upon training. On the other hand, entrepreneurs also saw that the output of non-government sponsored, private skill formation programmes was not sufficient to meet their increasing need of skilled recruits. Their claim for stronger cooperation with state agencies in the field of training had, of course, considerable weight as their associations – representing the interests of the largest export-oriented industry – had gained tremendous political weight over the decades since the incremental opening of the two economies. Administrators and politicians, who were worried about the

potentially drastic effect of liberalisation on employment and were eager to improve the reputation of the state training agencies in this regard, thus started to consider enhanced cooperation with the representatives of the private sector in the field of training as politically important, all the more as the concept of public-private partnership had been advocated as a panacea for skill formation by donor organisations for many years. Thus, out-of-firm skill formation programmes developed which were formally administered by state agencies but were designed and implemented under considerable influence from the side of private sector entrepreneurs.

Many of these programmes shared a number of common features: First, the contents of these programmes were comparatively narrow and less theoretical, i.e. more occupation-specific, than those offered by the state agencies; second, there was a tendency for employers to influence the student intake of the programmes and to manipulate the absorption of trainees by specific firms, a practice, which had become common in private training organisations and generally increased employability of students – a major concern of administrators and politicians. Third, employers partly financed some of the machinery and consumables but were relieved from contributing to the salaries of instructors. In sum, many of these new out-of-firm skill formation arrangements were highly advantageous from the perspective of the companies which finally absorbed the trainees, and thus were clearly marked by the characteristics of straightforward rent-seeking by individual entrepreneurs, who were lobbying the governments in the name of the entire industry. In fact, only in a few cases, there emerged skill formation programmes, from which a broad set of entrepreneurs could profit and which thus contributed, at least partly, to the associations' image of indeed lobbying the government in the interest of a broader set of industrialists.

These elaborations suggest that exogenous social processes, i.e. the pressure to increase the productivity of the industry in the context of the phase out of the MFA, have been tremendously important for the development of public-private partnerships in skill formation for the garment industries. At the same time, we understand that these new institutional arrangements were, by no means, a functional refinement of what might be considered to be earlier imbalances in the skill formation equilibrium. In fact, they were – similar to the increasingly academic orientation of public skill formation programmes (phase II) – the result of the fact that, over the course of time, a new set of actors had started to lobby the government in their own interest. Whereas the previous phases in the development of the skill formation regime had mainly re-

sulted from the agency of state agencies, collectively acting students and their parents and the training organisations themselves, it was now the turn of rent-seeking entrepreneurs.

14.2.3 Theorising on the dynamics of skill formation regimes

The different phases in the development of the skill formation regimes of the garment industries in the two countries were influenced by a high number of different factors and it seems that the trajectories of the regimes, similarly to what Archer has suggested for educational systems more generally, displayed regularities but did not embody logic.[1273] The complexity of the two trajectories can, therefore, neither be comprehensively explained by referring to most of the macro-sociological theories of educational change discussed in section 2.2 nor by arguing along the lines of the model developed by Ashton et al. that has been used as the theoretical backdrop of the elaborations outlined in this study. On the one hand, both dependency theories and neo-Marxist, structural-functionalist and postcolonial explanations – the most common theoretical approaches to educational change in developing countries – would be in a position to only explain isolated aspects of the development of the two skill formation regimes, particularly when it comes to in-firm skill formation arrangements. On the other hand, most of the common political-economic approaches to skill formation, including the one by Ashton et al., fall short of sufficiently theorising on the changes in the out-of-firm skill formation regimes. Certainly, the elaborations by Ashton et al. have pointed to a number of important aspects in the development of the skill formation regimes; still, however, the empirical findings of this historical-comparative study suggest that their model needs to be refined by taking into account a number of considerations.

Undoubtedly, the trajectories of the two skill formation regimes were strongly influenced by the global economic and geo-political context. Exogenous factors thus were, as Ashton et al. suggest, important but they were, contrary to their model, far from being the only determining factors. In fact, the institutional foundations of the two countries were strongly influenced by their postcolonial situation; this is particularly true for the trajectories of the political and administrative regimes but also, and even more importantly, for the education and training regimes, whose colonial roots were reflected by the organisational structures of the education systems, by the cur-

[1273] Archer (1982), p. 58

ricular contents of the respective programmes and by the perception by the general public that high academic achievements in formal education were an avenue for employment in the public sector. Similarly, the evolution of the garment production regimes was not only marked by the dynamics of the global garment trade but also by the institutional legacies of the respective dual economies, which had restricted industrial growth in colonial days and led to import-substituting strategies in the first postcolonial decades, whose failure – in combination with tremendous international pressure from the West – finally resulted in the opening of the two economies in the late 1970s and early 1980s respectively. In this context, there emerged – in the garment industries of both countries – strong disjunctures in the in-firm skill formation regimes, which resulted, as Ashton et al. have suggested, on the one hand, from the influx of FDI into more technology-intensive firms and, on the other hand, from ample opportunities in the global garment business for less experienced, local manufacturers, who owned more labour-intensive firms. Similar to what Ashton et al. have discussed, the first out-of-firm skill formation programmes for the garment industries, formed by government agencies that were still rooted in the tradition of catering to import-substituting strategies, would find it difficult to equally satisfy the skill needs of both types of entrepreneurs.

However, when it comes to explaining, in more detail, the further trajectories of the out-of-firm skill formation regimes it is not sufficient to refer to exogenous forces and to the postcolonial situation of the two countries respectively. If we want to understand why early state-funded programmes became broader and more academic, why there emerged private skill formation programmes and – finally – why programmes were formed along the lines of public-private partnerships we need to comprehensively take into account endogenous factors that were not discussed by Ashton et al. Arguing from a more structural-functionalist perspective one might think that these trajectories reflected the functional requirements of changes in the economic structures of the two countries. But if we look at, in more detail, how institutional change in the out-of-firm skill formation regimes actually occurred, for instance when it comes to the latest respective developments in Sri Lanka as described in section 8.2.3.3, we understand that the growth of skill formation programmes was often hardly related to technological change in the industry as such but to dynamics in other social fields, in

this particular case to trade policies and international relations.[1274] In fact, it would be far more plausible to argue – echoing the respective neo-Marxist theories of educational change – that these trajectories, for instance with regard to the "aristocratic seclusion" of higher technical education, were a result of the dominant classes striving for reproducing their social status, as the motivational orientations of most actors involved into the dynamics of the two out-of-firm skill formation regimes were oriented towards either achieving or retaining comparatively high socio-cultural and socio-economic status.

But when it comes to explaining the dynamics of the trajectories from a more overarching perspective, it seems that institutional reproduction and change did not occur along the lines of the rationales of such grand theories; rather, we are confronted with a complex process that was not only characterised by the social interaction between purposeful corporate actors but also by aggregate, often unintended effects of previous institutional geneses, some of which led to the formation of new actors, both collective and corporate, who started to become important for the subsequent development of the education and training regimes on the one hand and of the garment production regimes on the other hand. We thus explain the increasingly academic orientation of state programmes and the emergence of private skill formation programmes by referring, along the lines of Archer's work, to the structurally elaborated trajectories of educational systems, i.e. to the fact that the skill formation regimes started to be shaped by the uncoordinated agency of actors, e.g. of training organisations and of collectively acting students and parents, all of which had successively emerged in the process of educational expansion and were themselves interdependent with its aggregate effects, notably with the increasing inflation of the value of educational credentials.[1275]

Similarly, we need to understand the development of public-private partnerships, the emergence of which was not foreseen in the model by Ashton et al., as a result of the agency by employers' associations, whose political leverage had been gradually growing in the decades after the economic liberalisation, the main institutional change in the political economies of both countries that had not only transformed the

---

[1274] Many important facets of scepticism with regard to applications of the structural-functionalist theories was formulated in an early article by Ball (1981). In fact, one of the main challenges with applying structural-functionalist and systems theory to developing countries is the fact that one tends – as, for instance, Luhmann (1994, pp. 57 & 77) did – to focus on missing aspects of Western development.

[1275] Archer (1979)

economic structure but had also affected the actor dynamics in this sphere of society. These corporate actors, in fact, started to interact with the state-funded organisations, whose programmes had – against the entrepreneurs' own interests – been tremendously affected by the aggregate effects of educational expansion and the social demand for the respective credentials. Depending on the breadth of the coalitions supporting these programmes, the associations had now more or less scope to influence institutional change and to have the training programmes readjusted along the lines of the key entrepreneurs' interests; this is why public-private partnerships in Sri Lanka look quite different than the ones in Bangladesh.[1276] In any event, labour unions, which were generally aligned to the major political parties of both countries and were entirely overshadowed by the comparatively freely manoeuvring employers' associations, never played a major role in these dynamics.

These elaborations have, of course, not the all-encompassing explanatory power of grand theories. The fact alone that time, as the previous paragraph have demonstrated, is being considered as a factor in its own right restricts their scope to universally explain the dynamics of skill formation regimes. However, they are certainly an important refinement of Ashton et al.'s model and a contribution to a more encompassing middle-range theory of industry-specific skill formation regimes in developing countries that not only considers the agency of governments, employers' associations and labour unions – the key actors in most political-economic studies on skill formation regimes – but also the influence of collectively acting students and parents, whose aggregate effects have been widely discussed in the comparative education literature.

[1276] For political-economic literature that particularly refers to the importance of employers' associations in the field of training see Culpepper (2001), Culpepper and Thelen (2008), Soskice (1994).

15 Conclusions

15.1 The findings in brief

This study aimed at better understanding the dynamics of skill formation regimes of labour-intensive, export-oriented industries in developing countries by conducting two in-depth case studies on the skill formation regimes of the garment industries in Sri Lanka and Bangladesh. In brief, its findings are the following:

First, the study scrutinises the key characteristics of the respective skill formation regimes. On the one hand, it shows that in Sri Lanka, a comparatively investment-oriented in-firm skill formation regime emerged that started to be complemented by out-of-firm skill formation arrangements, which were mainly provided and coordinated by state agencies. On the other hand, it documents that the in-firm skill formation regime in Bangladesh were comparatively production-oriented and that state agencies were less involved into providing and coordinating out-of-firm skill formation arrangements. In short, it contrasts the institutional features of the comparatively high-skill formation regime in Sri Lanka with those of the comparatively low-skill formation regime in Bangladesh.

Second, the study relates these key characteristics to critical junctures in the historical development of the two countries which have initiated positive feedback mechanisms and thus contributed to the skill formation regimes evolving in very distinct and path-dependent ways. It thereby points – from a historical-institutionalist perspective – to the considerable role played by the sequence of educational development and industrial expansion and shows that other factors have reinforced the differences between the two trajectories as well, notably the critical junctures in the development of the production regimes. In this context, the study also showed that there is a strong interrelation between the coalitional breadth underlying a given institutional arrangement and the way these arrangements are being changed by either undergoing institutional ruptures or institutional transformations.

Third, the analysis presents a set of contingent generalisations, which explain social processes that characterised the common paths of both countries and thus refines the arguments by Ashton et al., who have suggested that the growth of export-oriented, FDI-backed industries in developing countries the world over would – irrespective of other institutional features of these states – have led to a market for private training organisations, which were catering to the upper echelons of the foreign-

owned companies and thus started to marginalise public training organisations. The generalisations demonstrate that the trajectories of the skill formation regimes in both countries indeed converged to a certain extent and that, indeed, private training organisations became increasingly important in both countries – despite the different sequences of educational development and industrial expansion. However, the discussion of four phases in the evolution of the out-of-firm skill formation regimes demonstrated that, in contrast to what could be expected from Ashton et al.'s elaborations, the trajectories of these regimes were, in both countries, not only more complex and finally led to different forms of public-private partnerships but that they were also rooted in other societal forces than the ones suggested by Ashton et al. In fact, endogenous social factors that emanated from aggregate effects of the education and training regimes, i.e. the growing social demand for training, and of the production regimes, i.e. the increasing political leverage by employers' associations, were critical for the development of the skill formation regimes.

15.2 Contributions to the literature and an agenda for further research

These findings contribute to the literature on skill formation and comparative education, as it was discussed in chapter 2, in several ways. First, the study analyses skill formation regimes in developing countries by integrating a historical-institutionalist perspective into a larger comparative education framework. The comparative education literature has a strong tradition of putting social and cultural contexts of education and training at the centre of analysis but has tended to narrowly focus on school-based vocational education and training, whereas the analysis of skill formation processes in the industry – and of its economic context – was generally left to neo-classical economists. This study is certainly different in this regard: By focusing on the skill formation regimes of one specific industry, it necessarily needed to scrutinise in more detail not only formal training organisations but also in-firm skill formation arrangements, which were, in fact, an important key to understanding why the two out-of-firm skill formation regimes have evolved in such different ways. The application of a historical-institutionalist perspective, whose representatives have tremendously contributed to the understanding of the political economy of in-firm skill formation regimes in the recent years, was certainly crucial. It was against the backdrop of much of this reasoning that this study also – in order to understand skill formation processes – comprehensively reconstructed the historical trajectories of the garment industries in Sri Lanka and Bangladesh and their political-economic contexts and

thereby contributed to an important aspect of South Asian economic historiography. There is thus little doubt that an encompassing analysis of the transmission of skills for specific economic sectors, which is undoubtedly an integral aspect of educational processes as such, necessarily needs to bring in perspectives from both political economy and comparative education.

Second, the findings of this study not only contribute to the comparative education literature on skill formation in developing countries but more generally to a key debate in comparative education that discusses whether globalisation leads to increasing convergence of education and training systems.[1277] The analysis of the two case studies shows that – in contrast to what could be expected, for instance, from a neo-institutionalist perspective – even in the case of skill formation regimes of export-oriented, labour-intensive industries, trajectories may be highly country-specific. In contrast to many critics of neo-institutionalist reasoning, the study, however, also shows that endogenous forces have tremendously shaped the skill formation arrangements in ways that share many similarities, possibly across societies worldwide. Even though the trajectories under study may be path-dependent, they are far from being entirely idiosyncratic; rather, they are characterised by similar regularities that don't result from the impact of global level forces but from aggregate effects of education and training regimes on the one hand and of production regimes on the other hand.

Third, this study focuses on geographical contexts, where research on the political economy of skill formation is very rare – and the application of models elaborated in different political, economic and social contexts quite frequent. In fact, the historical-institutionalist literature has tremendously influenced the political science literature on skill formation in more industrialised countries and, to some extent, in the NIEs, but its authors have been reluctant to scrutinise similar processes in developing countries.[1278] In contrast to most historical-institutionalist approaches to skill formation, the study was, however, based on an analytical framework that takes serious the dynamics unleashed by the growth of educational systems; it thus pointed to a major weakness of much of the literature on the political economy of skill formation in more industrialised countries. In fact, a comprehensive analysis of reforms in vocational edu-

---

[1277] On the debate on convergence and divergence of education and training systems see Gonon (2004), Green et al. (1999a), Marginson (1999), Oelkers (2006, p. 29), Schriewer (2004).

[1278] As discussed in section 2.3, one of the few political-economic studies that uses methods inspired by historical institutionalism in order to analyse skill formation regimes in developing countries in Southeast Asia is the one by Ritchie (2001).

cation and training, be it in Switzerland, France or the US, needs to turn to a very crucial type of collective actors – students and their parents –, who may be, as individuals, far less powerful than associations, labour unions, political parties and state agencies, but have a tremendous aggregate effect on the dynamics of the dynamics of skill formation regimes, as their agency is the basis of social demand for specific education and training programmes.

Undoubtedly, more research needs to be conducted in order better explain how skill formation regimes of labour-intensive, export-oriented industries evolve in developing countries. The temporal model outlined above certainly contributes to a better understanding of the respective processes but it also serves as a stepping stone for further research on the political economy of skill formation in developing countries. Of course, further research would gain from focussing on different countries and regions but also from scrutinising different types of critical economic sectors, be it in South Asia or elsewhere. Research would certainly profit from analyses of respective processes in similarly globalised but considerably more skill-intensive industries, such as the manufacture of electronic devices, or of developments in much more domestically oriented economic sectors, such as agriculture or the construction industry. Both in Sri Lanka and Bangladesh, one may further look at the skill formation regime of the nascent ship building industry, which may be a further important step in the industrialisation process of the two countries.[1279]

Further research on the political economy of skill formation in developing countries certainly needs, as it was done in this study, to scrutinise the role of employers' associations. In fact, these organisations have turned out to be highly crucial actors, and it can be assumed that in any other developing country which adopted a private sector led strategy of economic development such organisations would be of similar importance for the development of skill formation regimes, notably in the wake of their being strengthened by donor organisations. This may involve, as in this study, a major effort to trace and interview the respective individuals, as the evolution of such organisations – not only in Sri Lanka and Bangladesh but in developing countries more generally – has, until recently, been neglected, whereas the history of labour unions, which lost much of their previous leverage, is rather well documented.[1280]

[1279] Senewiratne (2009), Star Business (2009)

[1280] For more recent research on business associations in developing countries see Doner and Schneider (2000), Goldsmith (2002), Lucas (1997), Schneider and Maxfield (1997).

15.3 Revisiting the debate on “high skills” in developing countries

This study was also conducted in order to contribute to a global debate centring around the problem how “high skills” in developing countries could be fostered in the wake of a “new international division of labour”. The overall design of the study was, thereby, rooted in the assumption that this debate needs to be more informed about the historical development of skill formation regimes in specific countries and industries. Selecting the garment industry has proved to be highly fruitful, as the industry is, in fact, an important example of a traditionally low-skill and highly labour-intensive trade that started to require higher skills from the respective workforce in the context of increasing global economic liberalisation and competition. This could be shown by taking Sri Lanka and Bangladesh as examples, two countries, whose economies started to critically depend on the garment industry, even compared to other countries in South Asia, one of the most important garment exporting regions in the world.

The in-depth case studies show that it will be highly unlikely that the dilemma how to best foster “high skills” in developing countries may be solved by referring to global models as panaceas to address what are perceived to be very pressing challenges. They also show that the development of skill formation regimes, notably the development of out-of-firm skill formation programmes and organisations, has been, in both countries, riddled by innumerable difficulties. The main difficulty with establishing out-of-firm skill formation arrangements is certainly to make them sustainable over a long period and to make sure that they indeed enhance skills in potentially critical domains and that they indeed contribute to the development of an entire industry – and not only to the improvement of a couple of firms, whose owners are on good terms with politicians, administrators and representatives of donor agencies. Furthermore, the study demonstrates that very effective institutional arrangements, which may be attractive to serve as best practices for donors and other organisations, not only are very seldom but need to be scrutinised with regard to context-specific conditions that facilitated what key actors perceived to be successful.

The CITI in Sri Lanka, for instance, has become a highly reputed organisation because it had the backing of donor agencies for more than two decades, which helped this organisation to at least keep in line with the technological development in some of the technologically more advanced firms of the country. The BIFT in Bangladesh, to mention another example, partly owes its success to donors as well, many of which, however, tend to overlook that this organisation is virtually owned by a small

group of entrepreneurs who represent one faction of the leading association in the garment trade. The analysis also suggests that the schemes formed along the lines of public-private partnership entail a number of characteristics, which may undermine their sustainability in the long run. Certainly, many of these programmes are being borne by comparatively broader coalitions and cater more specifically to the needs of entrepreneurs than many of those traditionally offered by public training organisations. But the analysis points out that a number of such schemes lead to funds both by government and donor organisations being used as an extension of privileges to a small group of rent-seeking entrepreneurs and that they are often the result of ad-hoc agreements between state agencies, donor organisations and associations, or their representatives respectively, and, above all, only rarely contribute to a better coordination of skill formation regimes.

The main reason for many of the difficulties with the relevance and with the sustainability of out-of-firm skill formation programmes is certainly their often lacking complementarities with in-firm skill formation regimes, and it is in this regard that organisations like CITI and BIFT have become more successful than others. However, the emergence of comparatively ideal complementarities is often highly contingent and is difficult to be replicated in other contexts. Quite simply, the growth of a comparatively higher number of skill formation programmes, which are considered relevant by representatives of the industry, is more likely in countries, where, as in Sri Lanka, a relatively high number of firms had a more investment-oriented in-firm skill formation regime at an early point. There, the development of such a regime was facilitated by a radical liberalisation of the economy that aimed at opening the doors to FDI and by the high availability of easily trainable secondary school leavers and graduates, who were eager to join an emerging industry.

This conclusion may be seen as corroborating the World Bank's emphasis on FDI and on investments into general education as a basis for technological change and industrialisation and thus as de-legitimising industrial policy and investments into technical and vocational education and training.[1281] This is, however, not the case: first, the Sri Lankan trajectory suggests that the importance of FDI needs to be put in perspective: in fact, there were, already at the time of the expansion of the garment industry, a group of very experienced, local entrepreneurs who had emerged in the context of the import-substituting policies of the 1960s and who would help to expand

[1281] See, for instance, De Ferranti and Perry (2003, p. 2).

the industry – notably after the outbreak of the war, when FDI started to be partly withdrawn from Sri Lanka.

Second, the Sri Lankan garment industry tremendously profited from subsequent governments and donor organisations supporting state-funded skill formation programmes. The CITI and the textile and clothing department of the University of Moratuwa are very important examples in this regard. If governments had concentrated on investments in general education and had left skill formation in the hands of the private sector, the Sri Lankan garment industry might be far less sophisticated than it is today. The current situation on the global market for garments suggests that such investments by state agencies will continue to be important, as only few firms tend to engage in investment-oriented skill formation. Certainly, increasing collaboration between these actors, the state agencies and representatives of the industry, is vital to move towards "high skills". But planners need to be careful enough to discern between the entrepreneurs' more short-term, production-oriented interests in skill formation and more long-term perspectives on training.

Third, the fact that the rapid expansion of the Sri Lankan general education system was not paralleled by equal rapid economic development considerably contributed to political tensions in a country, which, at the time of its early postcolonial years, was deemed to be one of the most likely candidates for rapid economic growth. In this regard, one may also be sceptical of the long term impact of global programmes like EFA. The examples of East Asian countries suggest that both economic and social development in countries will be more sustainable if governments are in a position to coordinate industrial and educational expansion.[1282]

In any event, both of these recipes for economic development, to attract FDI and to heavily invest into the development of a general education system, are not merely technical matters but highly political issues, with a great number of unforeseeable consequences, particularly in states with weak and fractionalised political and administrative regimes. Certainly, the development of a strongly production-oriented skill formation regime in Bangladesh, where both the influx of FDI and literacy rates were low, has contributed to some of the difficulties of its garment industry. But if one considers the different routes that leading industrial nations, e.g. France and Great Britain, have taken with regard to education and skill formation in previous centuries,

[1282] For important contributions to the fairly large body of literature that theorises on the role of education in the NIEs see Ashton et al. (1999), Green (2007), Morris (1996).

there is some scope to assume that there are, even now, different ways to achieve sustainable economic and social development.[1283] There is thus ample evidence that the garment industry in Bangladesh fast improves its backward linkages, a fact, which is, at least partly, a consequence of the government's investments into textile-related technical education in the last three decades. And if there indeed evolves a – comparatively higher value-adding – ship-building industry in Bangladesh, past efforts to develop the skills of technicians and engineers in this industrial field will certainly play a crucial role.

It is for reasons like this that this study, unlike other work on skill formation in more industrialised and developing countries, didn't elaborate any ideal model of skill formation arrangements that could be applied in a number of different geographical and cultural contexts. But it certainly contributes to more realistic assessments of the potential effect of reforms in the field of skill formation; some of its theoretical tools, notably the tables elaborating on the dimensions and aspects of in-firm and out-of-firm skill formation institutions, may be of very practical use for those who aim at analysing existing and prospective skill formation programmes and organisations, for instance in Sri Lanka and Bangladesh, where donor organisations and state agencies will be engaged in far-reaching reforms of the technical and vocational education and training system.

[1283] Crouch et al. (1999), Green (1995)

Part F Annexes

Annex 1: Number of organisations scrutinised during fieldwork

	Bangladesh	Sri Lanka	Total
Administrative units	4	4	8
Associations	1	4	5
Companies	20	29	49
Donor organisations	2	0	2
Training organisations	26	23	49

Annex 2: Categorisation of firms and training organisations

Annex 2.1: Firms

Sri Lanka

Firm	1	FTZ
Firm	2	FTZ
Firm	3	FTZ
Firm	4	FTZ
Firm	5	Non-FTZ
Firm	6	Non-FTZ
Firm	7	Non-FTZ
Firm	8	Non-FTZ
Firm	9	Non-FTZ
Firm	10	Non-FTZ
Firm	11	Non-FTZ
Firm	12	Non-FTZ
Firm	13	Non-FTZ
Firm	14	Non-FTZ
Firm	15	FTZ
Firm	16	FTZ
Firm	17	FTZ
Firm	18	Non-FTZ
Firm	19	Non-FTZ
Firm	20	Non-FTZ
Firm	21	Non-FTZ
Firm	22	Non-FTZ
Firm	23	Non-FTZ
Firm	24	FTZ
Firm	25	Non-FTZ
Firm	26	FTZ
Firm	27	FTZ
Firm	28	Non-FTZ
Firm	29	Non-FTZ

Bangladesh

Firm	1	Non-FTZ
Firm	2	Non-FTZ
Firm	3	Non-FTZ
Firm	4	Non-FTZ
Firm	5	Non-FTZ
Firm	6	FTZ
Firm	7	Non-FTZ
Firm	8	Non-FTZ
Firm	9	FTZ
Firm	10	FTZ
Firm	11	Non-FTZ
Firm	12	FTZ
Firm	13	Non-FTZ
Firm	14	Non-FTZ
Firm	15	Non-FTZ
Firm	16	FTZ
Firm	17	Non-FTZ
Firm	18	Non-FTZ
Firm	19	Non-FTZ
Firm	20	Non-FTZ

Legend: FTZ Firm situated in a Free Trade Zone

Non-FTZ Firm situated outside Free Trade Zones

Annex 2.2: Training organisations

Sri Lanka

Training organisation	1	professional
Training organisation	2	craft
Training organisation	3	technician
Training organisation	4	professional
Training organisation	5	technician
Training organisation	6	professional
Training organisation	7	craft
Training organisation	8	craft
Training organisation	9	craft
Training organisation	10	craft
Training organisation	11	craft
Training organisation	12	craft
Training organisation	13	craft
Training organisation	14	craft
Training organisation	15	craft
Training organisation	16	craft
Training organisation	17	craft
Training organisation	18	craft
Training organisation	19	craft
Training organisation	20	craft
Training organisation	21	craft
Training organisation	22	craft
Training organisation	23	craft

Bangladesh

Training organisation	1	craft
Training organisation	2	professional
Training organisation	3	craft
Training organisation	4	professional
Training organisation	5	craft
Training organisation	6	professional
Training organisation	7	technician
Training organisation	8	technician
Training organisation	9	professional
Training organisation	10	professional
Training organisation	11	craft
Training organisation	12	craft
Training organisation	13	craft
Training organisation	14	craft
Training organisation	15	technician
Training organisation	16	craft
Training organisation	17	craft
Training organisation	18	craft
Training organisation	19	craft
Training organisation	20	craft
Training organisation	21	craft
Training organisation	22	craft
Training organisation	23	craft
Training organisation	24	craft
Training organisation	25	craft
Training organisation	26	technician

Legend:

craft	Organisation providing training programmes at the craft level, normally awarding a certificate.
technician	Organisation providing training programmes at the technician level, normally awarding a diploma
professional	Organisation providing training programmes at the professional level, normally awarding a degree

Annex 3: Number of documents produced in the respective data categories

Bangladesh

	Curricula vitae	Fieldnotes	Interviews
Administrative units	0	0	7
Associations	0	0	7
Companies	0	13	56
Donor organisations	0	0	3
Training organisations	22	11	39
Total	22	24	112

Sri Lanka

	Curricula vitae	Fieldnotes	Interviews
Administrative units	0	2	6
Associations	0	2	7
Companies	16	0	24
Donor organisations	0	0	0
Training organisations	24	6	16
Total	40	10	53

Annex 4: Structured questionnaire on in-firm skill formation processes (excerpt)[1284]

General information

Important: The contents of this return are CONFIDENTIAL and will not be divulged to any person or institution outside this research project.

To be filled in either with HRD manager or General Manager as informants (or assistant respectively)

Company Code: _____
Company name: _____
Company address: _____
Company Tel. No.: _____
Company email: _____
Informant's name: _____
Informant's designation: _____
Date: _____
Research Assistant: _____

1 Basic information

1.1 Foundation year of company

In which year has the company, which this establishment belongs to, been founded? _____

1.2 Foundation year of this establishment

In which year has this establishment been set up? _____

1.3 Number of plants of company / group of companies

How many garment factories (individual establishments) does the company own? _____

1.4 Sales revenue in 2005-2006 of this establishment

Which was the total sales revenue of this establishment in the fiscal year 2005 / 2006? _____

1.5 Number of sewing machines

How many sewing machines were in this establishment on 28 February 2007? _____

[1284] This version of the questionnaire was designed to gather information on the Vocational Training Centres in Sri Lanka. Questionnaires for other types of training organisations were structured in a similar way.

1.6 Exports

Which was the percentage of total sales revenues being earned through exports in the fiscal year 2005 / 2006?

_____

1.7 Export markets

Which were your three most important export markets – if any – in the financial year 2005/2006?

1. USA
2. EU
3. Japan
4. China
5. Singapore
6. Other countries

a) Most important	
b) Second most important	
c) Third most important	

1.8 Qualitative description of product

_____
_____
_____
_____
_____

1.9 Ownership of production-site

a) Which was the percentage of Foreign Direct Investment as part of the total paid-up capital of this establishment on February 28, 2007?

_____

b) If FDI = >50%, which is the country of origin of the parent company?

1.10 Sub-contracting

Which was the percentage of total sales revenues being earned through sub-contracting in the fiscal year 2005 / 2006 ?

_____

1.11 Contact with buyers

Which was the percentage of total sales revenues being earned through direct contact with buyers (no buying office involved)? _____

2 Production mode

2.1 Modular production

In which way have modules replaced the more traditional production lines?

1. no modules on the shop-floor
2. modules in planning process
3. modules implemented during last year
4. modules implemented more than 1 year ago
5. modules implemented, but abondeded later
6. don't know

2.2 Lean production

In which way has lean production become the production mode of this establishment?

1. no lean-production
2. lean-production in planning process
3. lean-production being implemented during last year
4. lean-production implemented more than 1 year ago
5. lean-production implemented, but abondeded later
6. don't know

3 Workforce

How many persons were working for this establishment on February 28, 2007, including management and those on temporary leave (sickness, maternity, vacation, etc.)? Please provide the numbers separately for each of the following groups and for both males (M) and females (F).

	Male	Female	Total
1. No. of senior managers			
2. No. of junior managers and executives			
3. No. of production supervisors (including trainee instructors)			
4. No. of skilled sewing machine operators			
5. No. of unskilled operatives in the sewing section (helpers)			
6. No. of others			
7. Total			

3.1 Qualitative description of education and training backgrounds of executives and above

_____
_____
_____
_____
_____

4 Labour turn-over / retention difficulties

4.1 Labour turn-over in February 2007 among operators

Which was the overall turnover among the operators in February 2007? _____ %

4.2 No. of vacancies among operator-grades in February 2007

a) How many posts of operators were vacant in this factory in February 2007?

1. _____
2. no records

b) Operator vacancy ratio: (to be filled by research assistant after interview) _____

5 General information on training

5.1 Existence of training policy document (Request document if available)

Is there a written training policy document for your company?

1. Yes, on establishment level.
2. Yes, but on a higher company / cluster level only.
3. No
4. Don't know

5.2 Expenditure on training

How much money (in real terms and in percentage of total sales revenue) did this factory spend on training in the fiscal year 2005/2006?

a) _____ Rp. out of _____

b) In percentage _____

5.3 Qualitative description of training (including problems with training)

_____

_____

_____

_____

_____

6 Educational background of the work-force

6.1 Helpers

a) How many helpers (as percentage out of total helper workforce) are literate? _____%

b) Which educational certificate do you generally expect of applicants for posts as helpers?

1. below class 8 / not important
2. class 8
3. SSC

6.2 Operators

a) How many operators (as percentage out of total operator workforce) are literate? _____%

b) Which educational certificate do you generally expect of applicants for posts as ISM operator?

1. below class 8 / not important
2. class 8
3. SSC

6.3 Supervisory level (production)

a) How many operators (as percentage out of total operator workforce) are literate? _____%

b) Which educational certificate do you generally expect of applicants for posts as ISM operator?

1. class 8
2. SSC
3. HSC
4. above HSC

Annex 5: Structured questionnaire on out-of-firm skill formation processes (excerpt)[1285]

Markus Maurer / University of Zurich, Switzerland
Human Resources Development for the Garment Industry
in Bangladesh, Malaysia, and Sri Lanka

Questionnaire Vocational Training Institutes

General aspects of the institute

1 Name and location of institute: _____

2 Date: _____

3 Comments

3.1 Theory

_____
_____
_____
_____

3.2 Methods

_____
_____
_____
_____

4 Location

_____
_____
_____

[1285] This version of the questionnaire was designed to gather information on the Vocational Training Centres in Sri Lanka. Questionnaires for other types of training organisations were structured in a similar way.

5 Basic information

5.1 Year of establishment of training institution: _____

5.2 The courses offered

Course name	Course du	Min req	Year of est	No. teach	Seat no.	No. of trainees

5.3 Implementation of changes (qualitative description)

Year	Change
	_____
	_____
	_____
	_____
	_____
	_____

Course name: _____

6 Students

6.1 Stipends _____

6.2 Student statistics

Batch	Year	Month	StudAdit	StudPaOu	Batch	Year	Month	StudAdit	StudPaOu
1					12				
2					13				
3					14				
4					15				
5					16				
6					17				
7					18				
8					19				
9					20				
10					21				
11					22				

6.3 Student demand (qualitative description)

_____
_____
_____
_____
_____
_____

6.4 Student admission

6.4.1 Admission test: yes / no

6.4.2 Place of admission test _____

6.4.3 Further info on admission (compare with student CVs)

_____
_____
_____

6.5 Student drop out: `___%

7 Teacher: Comment on CV

_____
_____
_____
_____
_____

Annex 6: Questionnaire on curricula vitae of employees in the garment industry

Employee No. __

1 General information

1.1 Name: _____

1.2 Position _____

1.3 Age: _____

1.4 Sex: _____

2 Education and training

2.1 Education (with credential awarded)

Year	Type	Institution	Details

2.2 Skills training

Year	Type	Length	Institution

3 Work experience

Year	Code	Position	Firm	Location	Salary

Annex 7: Questionnaire on curricula vitae of instructors

Questionnaire Training Institutes

Instructor __

1 General information

1.1 Name: _____

1.2 Course _____

1.3 Age: _____

1.4 Sex: _____

2 Education and training

2.1 Education (with credential awarded)

Year	Type	Institution	Details

2.2 Skills training

Year	Type	Length	Institution

3 Work experience

Year	Code	Position	Firm	Location	Salary

Annex 8: Questionnaire on curricula vitae of trainees

1 General information

1.1 Name: _____

1.2 Course _____

1.3 Age: _____

1.4 Sex: _____

2 Social background

a) District of origin: _____
b) Father's occupation: _____
c) Mother's occupation: _____

3 Education and training

3.1 Education (with credential awarded)

Year	Type	Institution	Details

3.2 Skills training

Year	Type	Length	Institution

4 Work experience

Year	Code	Position	Firm	Location	Salary

Annex 9: Overview of empirical data gathered for the study

Part 1: Sri Lanka

Name of the electronic file, as cited in the chapters	Type of data	Type of organisation	No. of organisation	Type or no. of representatives / other notes
SL_CV_Firm01	Curriculum vitae	Firm	1	
SL_CV_Firm02	Curriculum vitae	Firm	2	
SL_CV_Firm05	Curriculum vitae	Firm	5	
SL_CV_Firm06	Curriculum vitae	Firm	6	
SL_CV_Firm10	Curriculum vitae	Firm	10	
SL_CV_Firm11	Curriculum vitae	Firm	11	
SL_CV_Firm13	Curriculum vitae	Firm	13	
SL_CV_Firm14	Curriculum vitae	Firm	14	
SL_CV_Firm19	Curriculum vitae	Firm	19	
SL_CV_Firm20	Curriculum vitae	Firm	20	
SL_CV_Firm22	Curriculum vitae	Firm	22	
SL_CV_Firm23	Curriculum vitae	Firm	23	
SL_CV_Firm24	Curriculum vitae	Firm	24	
SL_CV_Firm25	Curriculum vitae	Firm	25	
SL_CV_Firm26	Curriculum vitae	Firm	26	
SL_CV_Firm29	Curriculum vitae	Firm	29	
SL_CV_TrainOrg02_Instructors	Curriculum vitae	Training organisation	2	Instructors
SL_CV_TrainOrg02_Trainees	Curriculum vitae	Training organisation	2	Trainees
SL_CV_TrainOrg03_Instructors	Curriculum vitae	Training organisation	3	Instructors
SL_CV_TrainOrg03_Trainees	Curriculum vitae	Training organisation	3	Trainees
SL_CV_TrainOrg05_Instructors	Curriculum vitae	Training organisation	5	Instructors
SL_CV_TrainOrg06_Instructors	Curriculum vitae	Training organisation	6	Instructors
SL_CV_TrainOrg07_Trainees	Curriculum vitae	Training organisation	7	Trainees
SL_CV_TrainOrg08_Instructors	Curriculum vitae	Training organisation	8	Instructors
SL_CV_TrainOrg08_Trainees	Curriculum vitae	Training organisation	8	Trainees
SL_CV_TrainOrg09_Instructors	Curriculum vitae	Training organisation	9	Instructors
SL_CV_TrainOrg09_Trainees	Curriculum vitae	Training organisation	9	Trainees

Name of the electronic file, as cited in the chapters	Type of data	Type of organisation	No. of organisation	Type or no. of representatives / other notes
SL_CV_TrainOrg10_Instructors	Curriculum vitae	Training organisation	10	Instructors
SL_CV_TrainOrg11_Instructors	Curriculum vitae	Training organisation	11	Instructors
SL_CV_TrainOrg12_Instructors	Curriculum vitae	Training organisation	12	Instructors
SL_CV_TrainOrg12_Trainees	Curriculum vitae	Training organisation	12	Trainees
SL_CV_TrainOrg13_Instructors	Curriculum vitae	Training organisation	13	Instructors
SL_CV_TrainOrg13_Trainees	Curriculum vitae	Training organisation	13	Trainees
SL_CV_TrainOrg14_Instructors	Curriculum vitae	Training organisation	14	Instructors
SL_CV_TrainOrg14_Trainees	Curriculum vitae	Training organisation	14	Trainees
SL_CV_TrainOrg15_Instructors	Curriculum vitae	Training organisation	15	Instructors
SL_CV_TrainOrg15_Trainees	Curriculum vitae	Training organisation	15	Trainees
SL_CV_TrainOrg16_Trainees	Curriculum vitae	Training organisation	16	Trainees
SL_CV_TrainOrg17_Instructors	Curriculum vitae	Training organisation	17	Instructors
SL_CV_TrainOrg17_Trainees	Curriculum vitae	Training organisation	17	Trainees
SL_CV_TrainOrg19_Instructors	Curriculum vitae	Training organisation	19	Instructors
SL_CV_TrainOrg19_Trainees	Curriculum vitae	Training organisation	19	Trainees
SL_CV_TrainOrg20_Instructors	Curriculum vitae	Training organisation	20	Instructors
SL_CV_TrainOrg20_Trainees	Curriculum vitae	Training organisation	20	Trainees
SL_CV_TrainOrg21_Instructors	Curriculum vitae	Training organisation	21	Instructors
SL_CV_TrainOrg21_Trainees	Curriculum vitae	Training organisation	21	Trainees
SL_CV_TrainOrg23_Instructors	Curriculum vitae	Training organisation	23	Instructors
SL_CV_TrainOrg23_Trainees	Curriculum vitae	Training organisation	23	Trainees
SL_CV_TrainOrg24_Instructors	Curriculum vitae	Training organisation	24	Instructors
SL_CV_TrainOrg24_Trainees	Curriculum vitae	Training organisation	24	Trainees
SL_FNotes_AdminUnit4_Letter	Fieldnotes	Administrative unit	4	Notes on a letter
SL_FNotes_AdminUnit5_PartObs1	Fieldnotes	Administrative unit	5	Participant observation
SL_FNotes_Association1_PartObs1	Fieldnotes	Association	1	Participant observation
SL_FNotes_Association1_Representative3_PersonalComm	Fieldnotes	Association	1	Personal communication
SL_FNotes_TrainOrg02	Fieldnotes	Training organisation	2	
SL_FNotes_TrainOrg09	Fieldnotes	Training organisation	9	
SL_FNotes_TrainOrg18	Fieldnotes	Training organisation	18	
SL_FNotes_TrainOrg19	Fieldnotes	Training organisation	19	
SL_FNotes_TrainOrg20	Fieldnotes	Training organisation	20	

Name of the electronic file, as cited in the chapters	Type of data	Type of organisation	No. of organisation	Type or no. of representatives / other notes
SL_FNotes_TrainOrg23	Fieldnotes	Training organisation	23	
SL_Int_AdminUnit1_Representative1	Interview	Administrative unit	1	1
SL_Int_AdminUnit2_Representative1	Interview	Administrative unit	2	1
SL_Int_AdminUnit3_Representative1	Interview	Administrative unit	3	1
SL_Int_AdminUnit3_Representative2	Interview	Administrative unit	3	2
SL_Int_AdminUnit4_Representative1	Interview	Administrative unit	4	1
SL_Int_AdminUnit4_Representative2	Interview	Administrative unit	4	2
SL_Int_Association1_Representative1	Interview	Association	1	1
SL_Int_Association1_Representative2	Interview	Association	1	2
SL_Int_Association2_Representative1	Interview	Association	2	1
SL_Int_Association3_Representative1	Interview	Association	3	1
SL_Int_Association3_Representative2	Interview	Association	3	2
SL_Int_Association4_Representative1	Interview	Association	4	1
SL_Int_Association4_Representative2	Interview	Association	4	2
SL_Int_Firm02_Representative1	Interview	Firm	2	1
SL_Int_Firm02_Representative2	Interview	Firm	2	2
SL_Int_Firm02_Representative3	Interview	Firm	2	3
SL_Int_Firm02_Representative4	Interview	Firm	2	4
SL_Int_Firm03_Representative1	Interview	Firm	3	1
SL_Int_Firm04_Representative1	Interview	Firm	4	1
SL_Int_Firm04_Representative2	Interview	Firm	4	2
SL_Int_Firm04_Representative3	Interview	Firm	4	3
SL_Int_Firm07_Representative1	Interview	Firm	7	1
SL_Int_Firm08_Representative1	Interview	Firm	8	1
SL_Int_Firm09_Representative1	Interview	Firm	9	1
SL_Int_Firm10_Representative1	Interview	Firm	10	1
SL_Int_Firm10_Representative2	Interview	Firm	10	2
SL_Int_Firm10_Representative3&4	Interview	Firm	10	3 and 4
SL_Int_Firm12_Representative1	Interview	Firm	12	1
SL_Int_Firm15_Representative1	Interview	Firm	15	1 und 2
SL_Int_Firm16_Representative1	Interview	Firm	16	1
SL_Int_Firm17_Representative1	Interview	Firm	17	1

Name of the electronic file, as cited in the chapters	Type of data	Type of organisation	No. of organisation	Type or no. of representatives / other notes
SL_Int_Firm18_Representative1	Interview	Firm	18	1
SL_Int_Firm21_Representative1	Interview	Firm	21	1
SL_Int_Firm22_Representative1	Interview	Firm	22	1
SL_Int_Firm26_Representative1	Interview	Firm	26	1
SL_Int_Firm27_Representative1	Interview	Firm	27	1
SL_Int_Firm28_Representative1	Interview	Firm	28	1
SL_Int_Firm29_Representative1	Interview	Firm	29	1
SL_Int_TrainOrg01_Representative1	Interview	Training organisation	1	1
SL_Int_TrainOrg03_Representative1	Interview	Training organisation	3	1
SL_Int_TrainOrg03_Representative2	Interview	Training organisation	3	2
SL_Int_TrainOrg03_Representative3	Interview	Training organisation	3	3
SL_Int_TrainOrg03_Representative4	Interview	Training organisation	3	4
SL_Int_TrainOrg03_Representative5	Interview	Training organisation	3	5
SL_Int_TrainOrg03_Representative6	Interview	Training organisation	3	6
SL_Int_TrainOrg03_Representative7	Interview	Training organisation	3	7
SL_Int_TrainOrg04_Representative1	Interview	Training organisation	4	1
SL_Int_TrainOrg05_Representative1	Interview	Training organisation	5	1
SL_Int_TrainOrg06_Representative1	Interview	Training organisation	6	1
SL_Int_TrainOrg06_Representative2	Interview	Training organisation	6	2
SL_Int_TrainOrg06_Representative3	Interview	Training organisation	6	3
SL_Int_TrainOrg06_Representative4	Interview	Training organisation	6	4
SL_Int_TrainOrg06_Representative5	Interview	Training organisation	6	5
SL_Int_TrainOrg22_Representative1	Interview	Training organisation	2	1

Part 2: Bangladesh

Name of the electronic file, as cited in the chapters	Type of data	Type of organisation	No. of organisation	Type or no. of representatives / other notes
BD_CV_TrainOrg11_Instructors	Curriculum vitae	Training organisation	11	Instructors
BD_CV_TrainOrg11_Trainees	Curriculum vitae	Training organisation	11	Trainees
BD_CV_TrainOrg12_Instructors	Curriculum vitae	Training organisation	12	Instructors
BD_CV_TrainOrg12_Trainees	Curriculum vitae	Training organisation	12	Trainees
BD_CV_TrainOrg13_Instructors	Curriculum vitae	Training organisation	13	Instructors
BD_CV_TrainOrg13_Trainees	Curriculum vitae	Training organisation	13	Trainees
BD_CV_TrainOrg16_Instructors	Curriculum vitae	Training organisation	16	Instructors
BD_CV_TrainOrg16_Trainees	Curriculum vitae	Training organisation	16	Trainees
BD_CV_TrainOrg17_Instructors	Curriculum vitae	Training organisation	17	Instructors
BD_CV_TrainOrg17_Trainees	Curriculum vitae	Training organisation	17	Trainees
BD_CV_TrainOrg18_Instructors	Curriculum vitae	Training organisation	18	Instructors
BD_CV_TrainOrg18_Trainees	Curriculum vitae	Training organisation	18	Trainees
BD_CV_TrainOrg19_Instructors	Curriculum vitae	Training organisation	19	Instructors
BD_CV_TrainOrg19_Trainees	Curriculum vitae	Training organisation	19	Trainees
BD_CV_TrainOrg20_Instructors	Curriculum vitae	Training organisation	20	Instructors
BD_CV_TrainOrg20_Trainees	Curriculum vitae	Training organisation	20	Trainees
BD_CV_TrainOrg22_Trainees	Curriculum vitae	Training organisation	22	Trainees
BD_CV_TrainOrg23_Trainees	Curriculum vitae	Training organisation	23	Trainees
BD_CV_TrainOrg24_Instructors	Curriculum vitae	Training organisation	24	Instructors
BD_CV_TrainOrg24_Trainees	Curriculum vitae	Training organisation	24	Trainees
BD_CV_TrainOrg26_Instructors	Curriculum vitae	Training organisation	26	Instructors
BD_CV_TrainOrg26_Trainees	Curriculum vitae	Training organisation	26	Trainees
BD_FNotes_Firm01	Fieldnotes	Firm	1	
BD_FNotes_Firm05	Fieldnotes	Firm	5	
BD_FNotes_Firm06	Fieldnotes	Firm	6	
BD_FNotes_Firm07	Fieldnotes	Firm	7	
BD_FNotes_Firm09	Fieldnotes	Firm	9	
BD_FNotes_Firm12	Fieldnotes	Firm	12	
BD_FNotes_Firm13	Fieldnotes	Firm	13	

Name of the electronic file, as cited in the chapters	Type of data	Type of organisation	No. of organisation	Type or no. of representatives / other notes
BD_FNotes_Firm15	Fieldnotes	Firm	15	
BD_FNotes_Firm16	Fieldnotes	Firm	16	
BD_FNotes_Firm17	Fieldnotes	Firm	17	
BD_FNotes_Firm18	Fieldnotes	Firm	18	
BD_FNotes_Firm19	Fieldnotes	Firm	19	
BD_FNotes_Firm20	Fieldnotes	Firm	20	
BD_FNotes_TrainOrg03	Fieldnotes	Training organisation	3	
BD_FNotes_TrainOrg13	Fieldnotes	Training organisation	13	
BD_FNotes_TrainOrg16	Fieldnotes	Training organisation	16	
BD_FNotes_TrainOrg17	Fieldnotes	Training organisation	17	
BD_FNotes_TrainOrg18	Fieldnotes	Training organisation	18	
BD_FNotes_TrainOrg19	Fieldnotes	Training organisation	19	
BD_FNotes_TrainOrg21	Fieldnotes	Training organisation	21	
BD_FNotes_TrainOrg22	Fieldnotes	Training organisation	22	
BD_FNotes_TrainOrg24	Fieldnotes	Training organisation	24	
BD_FNotes_TrainOrg25	Fieldnotes	Training organisation	25	
BD_FNotes_TrainOrg26	Fieldnotes	Training organisation	26	
BD_Int_AdminUnit1_Representative1&2	Interview	Administrative unit	1	1&2
BD_Int_AdminUnit2_Representative1	Interview	Administrative unit	2	1
BD_Int_AdminUnit2_Representative2	Interview	Administrative unit	2	2
BD_Int_AdminUnit3_Representative1	Interview	Administrative unit	3	1
BD_Int_AdminUnit4_Representative1	Interview	Administrative unit	4	1
BD_Int_AdminUnit4_Representative2	Interview	Administrative unit	4	2
BD_Int_AdminUnit4_Representative3	Interview	Administrative unit	4	3
BD_Int_Association1_Representative1	Interview	Association	1	1
BD_Int_Association1_Representative2	Interview	Association	1	2
BD_Int_Association1_Representative3	Interview	Association	1	3
BD_Int_Association1_Representative4	Interview	Association	1	4
BD_Int_Association1_Representative5	Interview	Association	1	5
BD_Int_Association1_Representative6	Interview	Association	1	6
BD_Int_Association1_Representative7	Interview	Association	1	7
BD_Int_Firm01_Representative1	Interview	Firm	1	1

Name of the electronic file, as cited in the chapters	Type of data	Type of organisation	No. of organisation	Type or no. of representatives / other notes
BD_Int_Firm02_Representative1	Interview	Firm	2	1
BD_Int_Firm03_Representative1	Interview	Firm	3	1
BD_Int_Firm04_Representative1	Interview	Firm	4	1
BD_Int_Firm05_Representative1	Interview	Firm	5	1
BD_Int_Firm05_Representative2	Interview	Firm	5	2
BD_Int_Firm05_Representative3	Interview	Firm	5	3
BD_Int_Firm05_Representative4	Interview	Firm	5	4
BD_Int_Firm05_Representative5	Interview	Firm	5	5
BD_Int_Firm06_Representative1	Interview	Firm	6	1
BD_Int_Firm06_Representative2	Interview	Firm	6	2
BD_Int_Firm06_Representative3	Interview	Firm	6	3
BD_Int_Firm06_Representative4	Interview	Firm	6	4
BD_Int_Firm06_Representative5&6	Interview	Firm	6	5 and 6
BD_Int_Firm06_Representative7	Interview	Firm	6	7
BD_Int_Firm06_Representative8	Interview	Firm	6	8
BD_Int_Firm06_Representative9	Interview	Firm	6	9
BD_Int_Firm06_Representative10	Interview	Firm	6	10
BD_Int_Firm06_Representative11	Interview	Firm	6	11
BD_Int_Firm07_Representative1	Interview	Firm	7	1
BD_Int_Firm07_Representative2	Interview	Firm	7	2
BD_Int_Firm07_Representative3	Interview	Firm	7	3
BD_Int_Firm07_Representative4	Interview	Firm	7	4
BD_Int_Firm07_Representative5	Interview	Firm	7	5
BD_Int_Firm07_Representative6	Interview	Firm	7	6
BD_Int_Firm07_Representative7	Interview	Firm	7	7
BD_Int_Firm07_Representative8	Interview	Firm	7	8
BD_Int_Firm07_Representative9	Interview	Firm	7	9
BD_Int_Firm07_Representative10	Interview	Firm	7	10
BD_Int_Firm07_Representative11	Interview	Firm	7	11
BD_Int_Firm08_Representative1	Interview	Firm	8	1
BD_Int_Firm09_Representative1	Interview	Firm	9	1
BD_Int_Firm09_Representative2	Interview	Firm	9	2

Name of the electronic file, as cited in the chapters	Type of data	Type of organisation	No. of organisation	Type or no. of representatives / other notes
BD_Int_Firm09_Representative3	Interview	Firm	9	3
BD_Int_Firm10_Representative1	Interview	Firm	10	1
BD_Int_Firm11_Representative1	Interview	Firm	11	1
BD_Int_Firm11_Representative2	Interview	Firm	11	2
BD_Int_Firm11_Representative3	Interview	Firm	11	3
BD_Int_Firm11_Representative4	Interview	Firm	11	4
BD_Int_Firm11_Representative5	Interview	Firm	11	5
BD_Int_Firm11_Representative6	Interview	Firm	11	6
BD_Int_Firm11_Representative7	Interview	Firm	11	7
BD_Int_Firm11_Representative8	Interview	Firm	11	8
BD_Int_Firm11_Representative9	Interview	Firm	11	9
BD_Int_Firm11_Representative10	Interview	Firm	11	10
BD_Int_Firm13_Representative1	Interview	Firm	13	1
BD_Int_Firm13_Representative2	Interview	Firm	13	2
BD_Int_Firm13_Representative3	Interview	Firm	13	3
BD_Int_Firm13_Representative4	Interview	Firm	13	4
BD_Int_Firm13_Representative5	Interview	Firm	13	5
BD_Int_Firm13_Representative6	Interview	Firm	13	6
BD_Int_Firm13_Representative7	Interview	Firm	13	7
BD_Int_Firm13_Representative8	Interview	Firm	13	8
BD_Int_Firm13_Representative9	Interview	Firm	13	9
BD_Int_Firm14_Representative1	Interview	Firm	14	1
BD_Int_Firm14_Representative2	Interview	Firm	14	2
BD_Int_DonorOrg1_Representative1	Interview	Donor organisation	1	1
BD_Int_DonorOrg1_Representative2	Interview	Donor organisation	1	2
BD_Int_DonorOrg2_Representative1	Interview	Donor organisation	2	1
BD_Int_TrainOrg01_Representative1	Interview	Training organisation	1	1
BD_Int_TrainOrg01_Representative1&5	Interview	Training organisation	1	1 and 5
BD_Int_TrainOrg01_Representative2	Interview	Training organisation	1	2
BD_Int_TrainOrg01_Representative3	Interview	Training organisation	1	3
BD_Int_TrainOrg01_Representative4	Interview	Training organisation	1	4
BD_Int_TrainOrg01_Representative5	Interview	Training organisation	1	5

Name of the electronic file, as cited in the chapters	Type of data	Type of organisation	No. of organisation	Type or no. of representatives / other notes
BD_Int_TrainOrg01_Representative6	Interview	Training organisation	1	6
BD_Int_TrainOrg01_Representative7	Interview	Training organisation	1	7
BD_Int_TrainOrg01_Representative8	Interview	Training organisation	1	8
BD_Int_TrainOrg01_Representative9	Interview	Training organisation	1	9
BD_Int_TrainOrg01_Representative10	Interview	Training organisation	1	10
BD_Int_TrainOrg01_Representative11	Interview	Training organisation	1	11
BD_Int_TrainOrg01_Representative12	Interview	Training organisation	1	12
BD_Int_TrainOrg01_Representative13	Interview	Training organisation	1	13
BD_Int_TrainOrg01_Representative14	Interview	Training organisation	1	14
BD_Int_TrainOrg01_Representative15	Interview	Training organisation	1	15
BD_Int_TrainOrg02_Representative1	Interview	Training organisation	2	1
BD_Int_TrainOrg02_Representative2	Interview	Training organisation	2	2
BD_Int_TrainOrg02_Representative3	Interview	Training organisation	2	3
BD_Int_TrainOrg02_Representative4&5	Interview	Training organisation	2	4&5
BD_Int_TrainOrg03_Representative1	Interview	Training organisation	3	1
BD_Int_TrainOrg03_Representative2	Interview	Training organisation	3	2
BD_Int_TrainOrg03_Representative3	Interview	Training organisation	3	3
BD_Int_TrainOrg04_Representative1	Interview	Training organisation	4	1
BD_Int_TrainOrg05_Representative1&2	Interview	Training organisation	5	1 and 2
BD_Int_TrainOrg06_Representative1	Interview	Training organisation	6	1
BD_Int_TrainOrg07_Representative1	Interview	Training organisation	7	1
BD_Int_TrainOrg08_Representative1	Interview	Training organisation	8	1
BD_Int_TrainOrg09_Representative1	Interview	Training organisation	9	1
BD_Int_TrainOrg10_Representative1	Interview	Training organisation	10	1
BD_Int_TrainOrg10_Representative2	Interview	Training organisation	10	2
BD_Int_TrainOrg14_Representative1	Interview	Training organisation	14	1
BD_Int_TrainOrg15_Representative1	Interview	Training organisation	15	1
BD_Int_TrainOrg16_Representative1	Interview	Training organisation	16	1
BD_Int_TrainOrg16_Representative2	Interview	Training organisation	16	2
BD_Int_TrainOrg18_Representative1	Interview	Training organisation	18	1
BD_Int_TrainOrg21_Representative1	Interview	Training organisation	21	1
BD_Int_TrainOrg22_Representative1	Interview	Training organisation	22	1

Name of the electronic file, as cited in the chapters	Type of data	Type of organisation	No. of organisation	Type or no. of representatives / other notes
BD_Int_TrainOrg26_Representative1	Interview	Training organisation	26	1 and 2

Part G Literature

Note

The following pages list in alphabetical order the literature on the basis of which a large part of this study is based. The list contains both primary sources by governmental and non-governmental organisations, newspaper articles, contributions from the social science literature and other documentary evidence. There are two main reasons for not having allocated the documents to the conventional categories of primary and secondary sources: First, it would have been misleading, as many documents have been used both as primary sources and as secondary literature. Second, this way of organising the literature was considered to be more convenient for readers who are interested in quickly tracing bibliographical information on specific references in the text.

For all those who are interested in looking for literature in Sri Lanka and Bangladesh, possibly for some of the documents mentioned below, the following information may be helpful: The best way to trace documents both in Bangladesh and Sri Lanka is to directly address the authors or the editors respectively, particularly when it comes to publications by government agencies and training organisations. The national archives in both countries have not been found to be very fruitful in this regard. However, researchers in Sri Lanka may visit the library of the University of Colombo and the library of the Ministry of Finance and Planning, which have a rich collection of official documents. Furthermore, newspaper articles can be traced in the library of the Lake House, where the government's official newspaper has its head office. In Bangladesh, researchers will find the library of the Bangladesh Institute of Development Studies (BIDS) and the archives of the Planning Commission very useful. However, when it comes to publications by government agencies, one may directly address the respective public servants in Dhaka.

Abedin, Najmul (1973) Local Administration and Politics in Modernising Societies Bangladesh and Pakistan. Dhaka: National Institute of Public Administration.

Abeyratne, Sirimal (1989) "Industrialisation in the NICs and in Sri Lanka: Why the NICs succeeded and Sri Lanka failed." *Upanathi* (Sri Lanka) 4 (2), pp. 45-72.

Abeyratne, Sirimal (1998) "Trade Strategy and Industrialisation." In *Dilemmas of Development: Fifty Years of Economic Change in Sri Lanka*, ed. W. D. Lakshman. Colombo: Sri Lanka Association for the Advancement of Science, pp. 341-385.

Abeyratne, Sirimal (2004) "Economic Roots of Political Conflict: The Case of Sri Lanka." *World Economy* 27 (8), pp. 1295-1314.

Acemoglu, D. and Pischke, J. S. (1999) "Beyond Becker: Training in imperfect labour markets." Economic Journal 109 (453), pp. 112-142.

Adams, Arvil V. (2007) *The Role of Youth Skills Development in the Transition to Work: A Global Review*. Washington DC: World Bank. Retrieved August 13, 2009 from http://siteresources.worldbank.org/INTCY/Resources/395766-1187899515414/RoleofYouthSkills.pdf.

Adams, Don (1965) "The Study of Education and Social Development." *Comparative Education Review* 9 (3), pp. 258-269.

Afzal, I. (1981) "End of Assignment Report on National Diploma in Technology Course in Textile Technology." In Final Reports of UNESCO Advisers and Consultants Regarding Postgraduate and NDT Courses Commenced at University of Moratuwa (UNDP/UNESCO Project SRL/74/072), ed. University of Moratuwa. Moratuwa: University of Moratuwa, pp. 58-70.

Ahmad, Alia (1993) "Economic Reforms under an Import-Substitution Regime: The Experience of Bangladesh." In *Trade, Growth and Development: The role of politics and institutions*, ed. G. Hanson. London/New York: Routledge, pp. 203-226.

Ahmad, Muzaffer (1989) "Readymade Garments Industry in Bangladesh." *Bangladesh Journal of Political Economy* (Bangladesh) 9 (2), pp. 94-122.

Ahmad, Muzaffer (2003) *Essays on Education in Bangladesh*. Dhaka: Ekushey Publications Limited/Action Aid Bangladesh.

Ahmad, Zyeda (1992) "State and education." In *History of Bangladesh: 1704-1971*, ed. S. Islam. Dhaka: Asiatic Society of Bangladesh, pp. 108-153.

Ahmed, Manzoor (2000) "Promoting Public-Private Partnership in Health and Education: The Case of Bangladesh." In *Public-Private Partnerships in the Social Sector: Issues and Country Experiences in Asia and the Pacific*, ed. Y. Wang. Asian Development Bank Institute: Tokyo, pp. 219-291.

Ahmed, Manzoor et al. (2005) *Education Sector Mapping*. Dhaka: Institute of Education and Development/BRAC University.

Ahmed, Maqbul (2007) *Presentation on Textile Policy 2007 (Draft)*. Dhaka: Ministry of Textiles and Jute.

Ahmed, Momtaz Uddin (1997) "Industries and Industrial Relations Since 1947." In *History of Bangladesh: 1704-1971*, ed. S. Islam. Dhaka: The Asiatic Society of Bangladesh, pp. 569-605.

Ahmed, Momtaz Uddin (1998) "Industrial Relations in Bangladesh: An Overview of Current Trends." In *Labour, Employment and Human Development in South Asia*, eds. A. Chanda, H. Mund, T. Sharan and C. P. Thakur. New Delhi: B.R. Publishing Corporation, pp. 239-279.

Ahmed, Musleh Uddin and Siddique, Sharif Rayhan (1999) "External Assistance and its Impact on Bangladesh Economy." *Social Science Review* (Bangladesh) 16 (1), pp. 183-202.

Ahmed, S. (2007) *Production System (Training Manual)*. Dhaka: DBL Group.

Ahmed, Sadiq (2006) "The Political Economy of Development Experience in Bangladesh." In *Growth and Poverty: The Development Experience of Bangladesh*, eds. S. Ahmed and W. Mahmud. Dhaka: University Press, pp. 93-147.

Ahmed, Sadiq and Sattar, Zaidi (2003) Trade Liberalization, Growth and Poverty Reduction: The Case of Bangladesh. Washington DC: World Bank.

Ahmed, Salehuddin (2004) "Aid and NGOs in Bangladesh." In *Revisiting Foreign Aid*, ed. R. Sobhan. Dhaka: University Press, pp. 403-423.

Ahmed, Sharif Uddin (2003) *Dhaka: A Study in Urban History and Development 1840-1921*. Dhaka: Academic Press and Publishers.

Ahmed, Sufia (1974) *Muslim Community in Bengal 1884-1912*. Dhaka: Oxford University Press.

Ahmed, Syed Giasuddin (2002) "Public Administration in the Three Decades." In *Banglades on the Threshold of the Twenty-First Century*, ed. A. M. Chowdhury. Dhaka: Asiatic Society, pp. 321-354.

Ahsan, Syed Badrul (2005) "Bangladesh since 1971: How far has it come?" *Asian Affairs* 36 (2), pp. 149-157.

Alailima, Patricia J. (1995) Post-Independence Evolution of Social Policy and Expenditure in Sri Lanka. Colombo: Centre for Women's Research.

Alam, Mahmudul et al. (2007) *Private Higher Education in Bangladesh*. Paris: International Institute for Educational Planning. Retrieved August 13, 2009 from http://unesdoc.unesco.org/images/0015/001501/150151e.pdf.

Alcorta, Ludovico (1999) "Flexible Automation and Location of Production in Developing Countries." *European Journal of Development Research* 11 (1), pp. 147-175.

Al-Hussainy, S.M. (1995) "Social Mobilization for Education." In *Educational Research in a Policy Perspective: A Collection of Papers with Comments*, ed. National Agency for Educational Management. Dhaka: National Agency for Educational Management, pp. 101-123.

Altbach, Philip G. (1989) "Twisted roots: The Western impact on Asian higher education." *Higher Education* 18 (1), pp. 9-29.

Amjad, Rashid (2005) "Skills and Competitiveness: Can Pakistan Break Out of the Low-level Skills Trap?" *The Pakistan Development Review* (Pakistan) 44 (4), pp. 387-409.

Archer, Margaret S. (1979) *Social Origins of Educational Systems*. London/Beverly Hills: Sage.

Archer, Margaret S. (1982) "Introduction: Theorizing about the Expansion of Educational Systems." In *The Sociology of Educational Expansion: Take-off, Growth and Inflation in Educational Systems*, ed. M. S. Archer. Beverly Hills/London: Sage, pp. 3-64.

Arnold, John (2007) "The Role of Trade Facilitation in Export Growth." In *South Asia: Growth and Regional Integration*, eds. S. Ahmed and E. Ghani. Washington DC: World Bank, pp. 191-235.

Arthur, W.B. (1989) "Competing technologies, increasing returns, and lock-in by historical events." *Economic Journal* 99 (394), pp. 116-131.

Arunatilake, Nisha et al. (2001) "The Economic Cost of the War in Sri Lanka." *World Development* 29 (9), pp. 1483-1500.

Asadullah, Mohammad Niaz (2006) "Returns to Education in Bangladesh." *Education Economics* 14 (4), pp. 453-468.

Asaduzzaman, M. (1995) "The Fall and Rise of Plan and Planning in Bangladesh." *Bangladesh Journal of Political Economy* 13 (2), pp. 245-261.

Ashton, David (2002) "Explaining Change in National HRD Strategies: The Case of Three Asian Tigers." *European Journal of Development Research* 14 (1), pp. 126-144.

Ashton, David (2005) "High skills: the concept and its application to South Africa." *Journal of Education & Work* 18 (1), pp. 19-32.

Ashton, David and Green, Francis (1996) *Education, training and the global economy*. Cheltenham: Edward Elgar.

Ashton, David et al. (2000) "Towards a framework for the comparative analysis of national systems of skill formation." *International Journal of Training and Development* 4 (1), pp. 8-25.

Ashton, David et al., eds. (1999) Education and training for development in East Asia: The political economy of skill formation in East Asian newly industrialised economies. London/New York: Routledge.

Asian Development Bank (2003) Project Administration Memorandum for the Loan to the Democratic Socialist Republic of Sri Lanka for the Distance Education Modernization Project (Loan 1999-SRI SF). Manila: Asian Development Bank.

Asian Development Bank (2004) *Improving Technical Education and Vocational Training Strategies for Asia*. Manila: Asian Development Bank. Retrieved August 13, 2009 from http://www.adb.org/Documents/Books/Tech_Educ_Voc_Training/tech-educ-voc-training.pdf.

Asian Development Bank (2008a) Report and Recommendation of the President to the Board of Directors. Proposed Loan to the People's Republic of Bangladesh for a Skills Development Project. Manila: Asian Development Bank.

Asian Development Bank (2008b) Validation Report: Sri Lanka: Skills Development Project (Reference Number: PCV: SRI 2008-32 / Project Number: 31283 / Loan Number: 1707 SF). Manila: Asian Development Bank.

Athukorala, Lalith P. (1995) Draft Terminal Report for the UNDP/ILO project BGD/85/153: Training and Employment in Garment Industries. Dhaka: ILO Area Office.

Athukorala, Premachandra (1998) "Foreign Direct Investment and Manufacturing for Export." In *Dilemmas of Development: Fifty Years of Economic Change in Sri Lanka*, ed. W. D. Lakshman. Colombo: Sri Lanka Association for the Advancement of Science, pp. 386-422.

Atkinson, Michael M. and Coleman, William D. (1989) "Strong States and Weak States: Sectoral Policy Networks in Advanced Capitalist Economies." *British Journal of Political Science* 19 (1), pp. 47-67.

Bacchus, Kazim (1988) "The Political Context of Vocationalization of Education in the Developing Countries." In *Vocationalizing Education: An International Perspective*, eds. J. Lauglo and K. Lillis. Oxford: Pergamon, pp. 31-44.

Bajwa, Farooq Nasem (1996) *Pakistan and the West: the first decade 1947-1957*. Karachi Oxford University Press.

Bakht, Zaid (2002) "Industrial Development: A Review of Evidence and Policy Issues." In *Bangladesh on the Threshold of the Twenty-First Century*, ed. A. M. Chowdhury. Dhaka: Asiatic Society, pp. 111-143.

Bakht, Zaid et al. (2006) *Competitiveness of a Labor-Intensive Industry in a Least Developed Country: A Case of the Knitwear Industry in Bangladesh*. Chiba: Insti-

tute of Developing Economies. Retrieved August 13, 2009 from http://www.gsid.nagoya-u.ac.jp/osada/Feb171.pdf.

Ball, Stephen J. (1981) "The Sociology of Education in Developing Countries." *British Journal of Sociology of Education* 2 (3), pp. 301-313.

Balogh, Thomas (1969) "Education and Agrarian Progress in Developing Countries." In *Bildungsökonomie: Eine Zwischenbilanz*, eds. K. Hüfner and J. Naumann. Stuttgart: Ernst Klett, pp. 259-268.

Bandaranaike Kumaratunga, Chandrika (1994) *Economic Policy Statement of the Government of Sri Lanka*. Colombo: Presidential Secretariat.

Bandaranaike, Anura (2004) "Government committed to help apparel industry to be more productive." In *Daily News* (Sri Lanka), November 3, p. 13.

Bangladesh Forces et al. (2007a) *Course Module: Linking Machine Operating Subject Training Course*. Dhaka: BGMEA Institute of Fashion and Technology.

Bangladesh Forces et al. (2007b) *Course Module: Sweater Knitting Machine Operating Subject Training Course*. Dhaka: BGMEA Institute of Fashion and Technology.

Bangladesh Technical Education Board (1995) *Education and Training Programmes*. Dhaka: Government of Bangladesh.

Bangladesh Technical Education Board (2003) *HSC (Vocational) / Trade 1 and 2, Class 11 and 12: Clothing and Garments Finishing*. Dhaka: Bangladesh Technical Education Board.

Bangladesh Technical Education Board (2007a) 4 Year Diploma in Engineering Program: Garments Design and Pattern Making Technology (Course Structure). Dhaka: Bangladesh Technical Education Board.

Bangladesh Technical Education Board (2007b) 4 Year Diploma in Engineering Program: Garments Design and Pattern Making Technology / Syllabus 1st and 2nd Semester. Dhaka: Bangladesh Technical Education Board.

Bangladesh Technical Education Board (2007c) 4 Year Diploma in Engineering Program: Garments Design and Pattern Making Technology / Syllabus 3rd and 4th Semester. Dhaka: Bangladesh Technical Education Board.

Bangladesh Technical Education Board (2007d) 4 Year Diploma in Engineering Program: Garments Design and Pattern Making Technology / Syllabus 5th and 6th Semester. Dhaka: Bangladesh Technical Education Board.

Bangladesh Technical Education Board (2007e) 4 Year Diploma in Engineering Program: Garments Design and Pattern Making Technology / Syllabus 7th and 8th Semester. Dhaka: Bangladesh Technical Education Board.

Barua, Tushar Kanti (1978) Political Elite in Bangladesh: A Socio-Anthropological and Historical Analysis of the Processes and their Formation. Bern: Peter Lang.

Bastian, Sunil (2007) The Politics of Foreign Aid in Sri Lanka: Promoting Markets and Supporting Peace. Colombo: International Centre for Ethnic Studies.

Baxter, Craig (1997) *Bangladesh: From a Nation to a State*. Boulder: Westview Press.

Becker, Gary S. (1962) "Investment in Human Capital: A Theoretical Analysis." *The Journal of Political Economy* 70 (5), pp. 9-49.

Becker, Gary S. (1964) Human Capital: a theoretical and empirical analysis, with special references to education. New York: Columbia University Press.

Bedard, Kelly (2001) "Human Capital versus Signalling Models: University Access and High School Dropouts." *Journal of Political Economy* 109 (4), pp. 749-775.

Begum, Shamshad and Shamsuddin, Abul F. M. (1998) "Exports and economic growth in Bangladesh." *Journal of Development Studies* 35 (1), pp. 89-114.

Belfield, Clive R. and Levin, Henry M. (2002) *Education privatization: causes, consequences and planning implications*. Paris: UNESCO/International Institute for Educational Planning. Retrieved August 13, 2009 from http://unesdoc.unesco.org/images/0013/001330/133075e.pdf.

Benavot, Aaron (1983) "The Rise and Decline of Vocational Education." *Sociology of Education* 56 (2), pp. 63-76.

Bennell, Paul (1995) "Using and Abusing Rates of Return: A Critique of the World Bank's 1995 Education Sector Review." *International Journal of Educational Development* 16 (3), pp. 235-248.

Berman, Edward H. (1978) "Foundations, Philantropy, and Neocolonialism." In *Education and the Colonial Experience*, eds. P. G. Altbach and G. P. Kelly. New Brunswick: Transaction Books, pp. 253-272.

BGMEA Institute of Fashion and Technology (2000) *Prospectus*. Dhaka: BGMEA Institute of Fashion and Technology.

BGMEA Institute of Fashion and Technology (2007a) *BIFT Existing Courses*. Dhaka: BGMEA Institute of Fashion and Technology.

BGMEA Institute of Fashion and Technology (2007b) *Prospectus*. Dhaka: BGMEA Institute of Fashion and Technology.

BGMEA Institute of Fashion and Technology (2007c) *Training Program for Sewing Machine Operator: Teaching plan*. Dhaka: BGMEA Institute of Fashion and Technology.

Bhattacharya, Debapriya (1998) *Export Processing Zones in Bangladesh: Economic impact and social issues*. Geneva: International Labour Organization.

Bidwell, Charles E. (2006) "Varieties of Institutional Theory: Traditions and Prospects for Educational Research." In *The New Institutionalism in Education*, eds. H.-D. Meyer and B. Rowan. Albany: State University of New York Press, pp. 33-50.

Biernacki, Richard (1995) The Fabrication of Labor: Germany and Britain, 1640-1914. Berkeley/Los Angeles/London: University of California Press.

Bolin-Hort, Per (1989) Work, family and the state: child labour and the organization of production in the British cotton industry, 1780-1920. Lund: Lund University Press.

Bose, Sumantra (2004) "Decolonization and State Building in South Asia." *Journal of International Affairs* 58 (1), pp. 95-113.

Bowles, Samuel and Gintis, Herbert (1976) Schooling in Capitalist America: Educational Reform and the Contradictions of Economic Life. London: Basic Books.

Boyer, Robert (2005) "How and why capitalisms differ." *Economy & Society* 34 (4), pp. 509-557.

Brandix College of Clothing Technology (2006) *Courses for 2006*. Colombo: Brandix College of Clothing Technology.

Brandix. *Brandix shares ideas on 'Water' at IBM forum in Singapore* 2008 Retrieved August 13, 2009 from http://www.brandix.com/news/news.htm.

Brecher, Irving and Abbas, S.A. (1972) *Foreign Aid and Industrial Development in Pakistan*. Cambridge: University Press.

Bremer, Rainer (2005) "Lernen in Arbeitsprozessen - Kompetenzentwicklung." In *Handbuch Berufsbildungsforschung*, ed. F. Rauner. Bielefeld: Bertelsmann, pp. 282-294.

Brezinka, Wolfgang (1995) Erziehungsziele, Erziehungsmittel, Erziehungserfolg: Beiträge zu einem System der Erziehungswissenschaft. München/Basel: Ernst Reinhardt.

British Council (1994) Review of Past Assistance Projects for Technical and Vocational Training and Lessons Learned. Colombo: British Council.

British Council (1995a) *Sri Lanka Vocational Training Reform Project*. Colombo: British Council.

British Council (1995b) Working Paper VIIL: Review of Past Assistance Projects for Technical and Vocational Training and Lessons Learned. Colombo: British Council.

Brown, David K. (2001) "The Social Sources of Educational Credentialism: Status Cultures, Labor Markets, and Organizations." *Sociology of Education* 74, pp. 19-34.

Brown, John C. (1990) "The Condition of England and the Standard of Living: Cotton Textiles in the Northwest, 1806-1850." *The Journal of Economic History* 50 (3), pp. 591-614.

Brown, Philip et al. (2001) High skills: globalization, competitiveness, and skill formation. Oxford: Oxford University Press.

Brown, Philip et al. (2003) "Employability in a Knowledge-driven Economy." *Journal of Education and Work* 16 (2), pp. 107-126.

Bruce, Raymond and Bruce, Sharon (2007) *COAT - A Virtual College of Apparel and Textiles (Fulbright Grant #2303)*. Colombo: Joint Apparel Association Forum.

Buechtemann, Christoph F. and Verdier, Eric (1998) "Education and Training Regimes: Macro-Institutional Evidence." *Revue d'Economie Politique* 108 (3), pp. 291-320.

Bujra, Janet (2006) "Lost in translation: the use of interpreters in fieldwork." In *Doing development research*, eds. V. Desai and R. B. Potter. London: Sage, pp. 172-179.

Bureau of Manpower, Employment and Training (2002a) *Curriculum Industrial Garments Manufacturing and Machine Maintenance*. Dhaka: Ministry of Labour.

Bureau of Manpower, Employment and Training (2002b) *Curriculum Marker Design and Pattern Making*. Dhaka: Ministry of Labour.

Burnell, Peter (1997) "The Changing Politics of Foreign Aid: Where to Next?" *Politics* 17 (2), pp. 117-125.

Burnell, Peter (2003) "Structural adjustment." In *The Concise Oxford Dictionary of Politics*, eds. I. McLean and A. McMillan. Oxford: Oxford University Press, p. 520.

Burnett, Gregory (2004) "Deconstructing Educational Discourse in Kiribati: Postcolonial Encounters." In *Re-Imagining Comparative Education: Post-foundational Ideas and Applications for Critical Times*, eds. P. Ninnes and S. Mehta. New York: Routledge, pp. 63-84.

Busemeyer, Marius R. (2007) Die Bildungsausgaben der USA im internationalen Vergleich: Politische Geschichte, Debatten und Erklärungsansätze. Wiesbaden: Deutscher Universitäts-Verlag.

Calhoun, Craig (2002) "Regime." In *Dictionary of the Social Sciences*, ed. C. Calhoun. Oxford: Oxford University Press, p. 405.

Campaign for Popular Education (2006) *The State of Secondary Education: Progress and Challenges*. Dhaka: Campaign for Popular Education.

Cassim, Nisthar (2003) "JAAF takes 2005 challenge head on." In *Financial Times* (Sri Lanka), June 26, p. 4.

Center for International Studies (1995) Final Report: Vocational Training Project. People's Republic of Bangladesh - T.A. No. 2130-BAN. Logan: Utah State University.

Centre for Policy Dialogue (2007) CPD Study on Bangladesh's Apparel Sector in Post-MFA Period: A Benchmarking Study on the Ongoing Restructuring Process (Executive Summary). Dhaka: Centre for Policy Dialogue.

Ceylon Chamber of Commerce (1994) *Current Status of the Two Hundred Garment Factories Programme*. Colombo: Ceylon Chamber of Commerce.

Chabbott, Colette (2003) Constructing education for development: international organizations and education for all. New York: Routledge Falmer.

Chan, Anita and Ross, Robert J. S. (2003) "Racing to the bottom: international trade without a social clause." *Third World Quarterly* 24 (6), pp. 1011-1028.

Chandra, Ashoka (1994) "Economic Reforms, Structural Adjustment and Retraining for Redeployment." In *Social Dimensions of Economic Reforms in Asia*, ed. R. Islam. New Delhi: International Labour Organization, pp. 88-130.

Chandrasiri, Sunil (2003) "Financing of university education in Sri Lanka." *Higher Education* 45 (1), pp. 91-108.

Chassagne, Serge (1991) *Le coton et ses patrons: France, 1760-1840*. Paris: Ecole des Hautes Etudes en Sciences Sociales.

Chitnis, Suma (1993) "Gearing a colonial system of education to take independent India towards development." *Higher Education* 26 (3), pp. 21-41.

Choudhury, Masudul Alam and Wahid, Abu N.M. (1996) "Social Frictions, Social Dynamics, and Economic Development: Some Experiences of Bangladesh." In *The Economy of Bangladesh: Problems and Prospects*, eds. A. N. M. Wahid and C. E. Weis. London: Praeger, pp. 17-32.

Chowdhury, Ameena and Denecke, Hanna (2007) A Comparative Analysis between the Bangladesh Labor Law 2006 and 7 General Codes of Conduct. Dhaka: GTZ.

Chowdhury, Jamilur Reza (2002) "Higher Education: Present Peril and Future Promise." In *Bangladesh on the Threshold of the Twenty-First Century*, ed. A. M. Chowdhury. Dhaka: Asiatic Society, pp. 509-530.

Chowdhury, Murshed (2005) "PRSP and Labour Concern: Bangladesh Perspective." *Labour* (Bangladesh) 8 (1), pp. 19-32.

Chowdhury, Naimuddin (1985) Towards an understanding of entrepreneurship in early development: the case of cotton textiles in Bangladesh. Dhaka: Bangladesh Institute of Development Studies.

Clayton, Thomas (1998) "Beyond Mystification: Reconnecting World-System Theory for Comparative Education." *Comparative Education Review* 42 (4), pp. 479-496.

Clingingsmith, David and Williamson, Jeffrey G. (2008) "Deindustrialization in 18th and 19th century India: Mughal decline, climate shocks and British industrial ascent." *Explorations in Economic History* 45 (3), pp. 209-234.

Clothing Industry Training Institute (1995) *Diploma in Clothing Manufacture*. Ratmalana: Clothing Industry Training Institute.

Clothing Industry Training Institute (2001) *Annual Report and Accounts: 2000*. Colombo: Ministry of Constitutional Affairs and Industrial Development.

Clothing Industry Training Institute (2002) *Annual Report and Accounts: 2001*. Colombo: Ministry of Industrial Development.

Clothing Industry Training Institute (2003) *Annual Report and Accounts: 2002*. Colombo: Ministry of Tertiary Education and Training.

Clothing Industry Training Institute (2004) *Annual Report and Accounts: 2003*. Colombo: Ministry of Tertiary Education and Training.

Clothing Industry Training Institute (2005a) *Annual Report and Accounts: 2004*. Ratmalana: Ministry of Industry and Investment Promotion.

Clothing Industry Training Institute (2005b) *Prospectus 2005/06*. Colombo: Ministry of Textile Industry Development.

Clothing Industry Training Institute (2007) *Annual Report and Accounts: 2006*. Colombo: Ministry of Textile Industry Development.

College of Textile Technology (2006) *Prospectus 2006-2007*. Dhaka: University of Dhaka.

College of Textile Technology (2007) *Prospectus 2007-2008*. Dhaka: University of Dhaka.

Colombo Page News Desk (2008) *MAS opens Institute for Management and Technological studies in Sri Lanka* 2008. Colombo: Colombo Page News Desk. Retrieved August 13, 2009 from http://www.colombopage.com/archive_08/January31181324JR.html.

Coombs, Philip H. (1968) *The World Educational Crisis: A Systems Analysis*. Oxford: Oxford University Press.

Cowell, R. (1997) Letter to Mr. Mostafa Golam Quddus, President BGMEA (dated February 2). Dhaka: Education Services Co. Ltd.

Crane, Robert I. (1965) "Technical Education and Economic Development in India before World War I." In *Education and Economic Development*, eds. A. Anderson and M. J. Bowman. Chicago: Aldine Publishing Company, pp. 167-201.

Crossley, Michael and Tikly, Leon (2004) "Postcolonial perspectives and comparative and international research in education: a critical introduction." *Comparative Education* 40 (2), pp. 147-156.

Crouch, Colin et al. (1999) Are skills the answer?: the political economy of skill creation in advanced industrial countries. Oxford: Oxford University Press.

Cuadra, Ernesto and Moreno, Juan Manuel (2005) *Expanding Opportunities and Building Competencies for Young People. A New Agenda for Secondary Education*. Washington DC: World Bank. Retrieved August 13, 2009 from http://siteresources.worldbank.org/EDUCATION/Resources/278200-1099079877269/547664-1099079967208/Expanding_Opportunities_Secondary.pdf.

Culpepper, Pepper D. (2001) "Employers' Associations, Public Policy and The Politics of Decentralized Cooperation in Germany and France." In *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, eds. P. A. Hall and D. Soskice. Oxford: Oxford University Press, pp. 275-306.

Culpepper, Pepper D. and Thelen, Kathleen (2008) "Institutions and collective actors in the provision of training: Historical and cross-national comparisons." In *Skill formation: Interdisciplinary and cross-national perspectives*, eds. K. U. Mayer and H. Solga. New York: Cambridge University Press, pp. 21-49.

Daily News (1979) "Rs. 4 m training centre to meet needs of IPZ." In *Daily News* (Sri Lanka), October 16, p. 1.

Daily News (1981) "Skilled-labour shortage: Vocational training centres the answer." In *Daily News* (Sri Lanka), September 18, p. 3.

Daily News (1990) "We'll modernise garment industry to face international competition." In *Daily News* (Sri Lanka), December 12, p. 10.

Daily News (1992a) "Apparel Exporters help 64 families in sewing skills." In *Daily News* (Sri Lanka), June 2, p. 24.

Daily News (1992b) "Export-oriented garment industries must meet economic aspirations of people: President." In *Daily News* (Sri Lanka), February 19, p. 5.

Daily News (1992c) "Garments industry must improve its marketing skills." In *Daily News* (Sri Lanka), February 26, p. 3.

Daily News (1993a) "200 GFP investors form association." In *Daily News* (Sri Lanka), September 7, p. 23.

Daily News (1993b) "MAS holdings opens fourth joint venture garment factory." In *Daily News* (Sri Lanka), December 12, p. 3.

Daily News (1999a) "Double standards by NDT students: Moratuwa University." In *Daily News* (Sri Lanka), March 3, p. 12.

Daily News (1999b) "Largest ever investment in garment industry takes off." In *Daily News* (Sri Lanka), December 17, p. 1.

Daily News (1999c) "Moratuwa University Crisis: Committee recommends separate institute to run NDT course." In *Daily News* (Sri Lanka), September 4, p. 1.

Daily News (2000a) "Lankan clothing institute to train Bangladeshis." In *Daily News* (Sri Lanka), January 28, p. 19.

Daily News (2000b) "Tri Star Institute of Apparel Technology in Ratmalana." In *Daily News* (Sri Lanka), March 9, p. 3.

Daily News (2005) "Rs. 600 million credit guarantee scheme for apparel sector." In *Daily News* (Sri Lanka), June 16, p. 21.

Daily News (2006) "JAAF project to build technical competence in the apparel and textiles industry." In *Daily News* (Sri Lanka), August 29, p. 26.

Dale, Roger (2005) "Globalisation, knowledge economy and comparative education." *Comparative Education* 41 (2), pp. 117-149.

Daniel, Devan (2006) "Cinderella's apparels: SMEs get step motherly treatment." In *Financial Times* (Sri Lanka), December 10, p. 2.

Dannecker, Petra (2002) Between Conformity and Resistance: Women Garment Workers in Bangladesh. Dhaka: University Press.

David, P.A. (1985) "Clio and the economics of QWERTY." *American Economic Review* 57 (2), pp. 332-337.

Dayaratne, J.H. (1980) "Technical and vocational education in countries of Asia and Oceania: Sri Lanka." *Bulletin of Unesco Regional Office for Education in Asia and Oceania* 21 (6), pp. 229-239.

De Ferranti, David M. and Perry, Guillermo E. (2003) *Closing the gap in education and technology*. Washington DC: World Bank.

De Silva, Arijyadasa (1994) "The Present Status of Private Tutoring in Sri Lanka." *Economic Review* (Sri Lanka) 20 (2&3), pp. 13-25.

De Silva, Chandra R. (2006) "Sri Lanka in 2005: Continuing Political Turmoil." *Asian Survey* 46 (1), pp. 114-119.

De Silva, Chandra R. (2007) "Sri Lanka in 2006: Unresolved Political and Ethnic Conflicts amid Economic Growth." *Asian Survey* 47 (1), pp. 99-104.

De Silva, K.M. (1981) *A History of Sri Lanka*. London: Hurst & Co.

De Silva, K.M. (1995) "Evolution of University Education in Sri Lanka: A Critical Overview." In *The University System of Sri Lanka: Vision and Reality*, eds. K. M. De Silva and G. H. Peiris. Kandy: International Centre for Ethnic Studies, pp. 1-73.

De Silva, Richard (1999) "Manchester Metropolitan University to fashion Sri Lanka's clothing industry." In *Daily News* (Sri Lanka), August 17, p. 23.

De Silva, S.L (1969) "Technical Education: Early attempts and recent developments." In *Education and Man-Power Needs. In: Education in Ceylon: A Centenary Volume*, ed. Ministry of Education and Cultural Affairs. Colombo: Ministry of Education and Cultural Affairs, pp. 825-842.

Deacon, B. (2000) "Globalisation: A Threat to Equitable Social Provision?" *IDS Bulletin* 31 (4), pp. 32-41.

Debrah, Y. A. and Ofori, G. (2001) "The state, skill formation and productivity enhancement in the construction industry: the case of Singapore." *International Journal of Human Resource Management* 12 (2), pp. 184-202.

Debrah, Yaw A. and Ofori, George (2006) "Human resource development of professionals in an emerging economy: the case of the Tanzanian construction industry." *International Journal of Human Resource Management* 17 (3), pp. 440-463.

Deissinger, Thomas (1992) Die englische Berufserziehung im Zeitalter der industriellen Revolution: ein Beitrag zur vergleichenden Erziehungswissenschaft. Würzburg: Königshausen & Neumann.

Denzin, Norman Kent (1978) The research act: a theoretical introduction to sociological methods. New York: McGraw-Hill.

Department of National Planning (2007) Mahinda Chintana: Vision for a New Sri Lanka. A Ten Year Horizon Development Framework 2006-2016. Colombo: Ministry of Finance and Planning.

Department of Textile and Apparel Technology (2006) Memo No. VV/ET-208/01: Introduction of Fashion Design and Product Development as a new area of specialisation in the Diploma in Industrial Studies and Bachelor of Industrial Studies programme. Nugegoda: Open University.

Department of Textile and Clothing Technology (1993) "First graduation." In *Sunday Times* (Sri Lanka), September 12, p. 28.

Department of Textile and Clothing Technology (2008a) *Curriculum for Bachelor of Design Honours Degree (Fashion Design and Product Development)*. Moratuwa: University of Moratuwa.

Department of Textile and Clothing Technology (2008b) *Student output of the department in the years 1980-2007*. Moratuwa: University of Moratuwa.

Department of Textiles (2000) Course Curriculum Textile Vocational Institute: SSC Vocational (Textile). Dhaka: Ministry of Textiles and Jute.

Department of Textiles (2001) Project Proforma: Implementation of SSC (Vocational) Textile Course (Revised). Dhaka: Ministry of Textiles and Jute.

Department of Textiles (2005a) Development Project Proposal: Up-Gradation of Zorargonj Textile Institute to Textile Engineering College. Dhaka: Ministry of Textiles and Jute.

Department of Textiles (2005b) Project Proforma: Modernization of 6 (Six) Textile Institutes (Revised): 1998-2006. Dhaka: Ministry of Textiles and Jute.

Dionisius, Regina et al. (2009) "Costs and Benefits of Apprenticeship Training. A Comparison of Germany and Switzerland." *Applied Economics Quarterly* 55 (1), pp. 7-37.

Directorate of Technical Education (2002) Project Proforma: Establishment of Three Mohila Women Polytechnic Institutes at Three Divisional Headquarters. Dhaka: Ministry of Education.

Directorate of Technical Education (2006) *Student Activity Sheets Dress Making and Tailoring Trade Class IX*. Dhaka: Ministry of Education.

District Office Galle (2003) *Annual Training Plan*. Galle: Vocational Training Authority.

District Office Galle (2004) *Annual Training Plan*. Galle: Vocational Training Authority.

District Office Galle (2005) *Annual Training Plan*. Galle: Vocational Training Authority.

District Office Galle (2006) *Annual Training Plan*. Galle: Vocational Training Authority.

District Office Galle (2007) *Annual Training Plan*. Galle: Vocational Training Authority.

District Office Galle (2008) *Annual Training Plan*. Galle: Vocational Training Authority.

Dodankotuwa, J. Baratha et al. (2004) Ex-Post Evaluation of the Project for Quality Improvement of the Textile and Clothing Products in the Democratic Socialist Republic of Sri Lanka. Colombo: Japan International Cooperation Agency.

Doner, Richard F. and Schneider, Ben Ross (2000) "Business Associations and Economic Development: Why Some Associations Contribute More Than Others." *Business and Politics* 2 (3), pp. 261-288.

Dore, Ronald (1973) "Pre-Vocational Studies: A comment on recent trends in Ceylonese Education." *Marga* (Sri Lanka) 2 (2), pp. 1-17.

Dos Santos, Anne Noronha (2007) Military intervention and secession in South Asia: the cases of Bangladesh, Sri Lanka, Kashmir, and Punjab. Westport: Praeger Security International.

Dove, Linda A. (1983) "Education Policy in Bangladesh 1978-81: promise and performance in political perspective." *Comparative Education* 19 (1), pp. 73-88.

Dowlah, C.A.F. (1999) "The Future of the Readymade Clothing Industry of Bangladesh in the Post-Uruguay Round World." *The World Economy* 22 (7), pp. 933-953.

Dr. Martelli Associates (1998) *Bangladesh: Textile Study: Phase 2 - Interim Report*. Washington DC: World Bank.

Dunham, David and Kelegama, Saman (1997) "Does Leadership Matter in the Economic Reform Process? Liberalization and Governance in Sri Lanka." *World Development* 25 (2), pp. 179-190.

Ebbinghaus, Bernhard (2005) "When Less is More: Selection Problems in Large-N and Small-N Cross-National Comparisons." *International Sociology* 20 (2), pp. 133-152.

Eco (2006) *TVET in Bangladesh: Preparation Process Final Report*. Dhaka: Delegation of the European Commission to Bangladesh.

Education Services Co. Ltd. (1997) *First Meeting of the Board of Directors*. Dhaka: Education Services Co. Ltd.

Edwards, Chris and Kelegama, Saman (1996) The Uruguay Round and MFA Quotas: The Textiles and Garment Industries in Sri Lanka - The Next 10 Years. Colombo: Institute of Policy Studies.

Elster, Jon (1989) *The cement of society: a study of social order*. Cambridge: Cambridge University Press.

Employment and Manpower Planning Division (1987) *Technical and Vocational Education in Sri Lanka: A Survey Report*. Colombo: Ministry of Plan Implementation.

Ergas, Zaki (1982) "Can Education be Used as a Tool to Build a Socialist Society? The Tanzanian Case." *The Journal of Modern African Studies* 20 (4), pp. 571-594.

Estevez-Abe, Margarita et al. (2001) "Social Protection and the Formation of Skills: A Reinterpretation of the Welfare State." In *Varieties of capitalism: the institutional foundations of comparative advantage*, eds. P. A. Hall and D. Soskice. Oxford: Oxford University Press, pp. 145-183.

Etzkowitz, Henry (2008) The triple helix: university-industry-government innovation in action. New York: Routledge.

Evans, Peter (1995) *Embedded Autonomy: States and Industrial Transformation*. Princeton: Princeton University Press.

Faculty of Engineering Technology (1994a) *Certificate in Technology (Textile): Apparel Technology - Book 1*. Nugegoda: Open University.

Faculty of Engineering Technology (1994b) *Diploma in Technology (Textile): Apparel Technology - Book 1*. Nugegoda: Open University.

Faculty of Engineering Technology (1994c) *Student Guidebook 1995*. Nugegoda: Open University.

Faculty of Engineering Technology (2001) *Student Guidebook 2002*. Nugegoda: Open University.

Farnie, D. A. (1990) "The Textile Machine-Making Industry and the World Market, 1870–1960." *Business History* 32 (4), pp. 150-170.

Farrell, Henry and Héritier, Adrienne (2003) "Formal and Informal Institutions Under Codecision: Continuous Constitution-Building in Europe." *Governance* 16 (4), pp. 577-600.

Felker, Greg B. (2003) "Southeast Asian industrialisation and the changing global production system." *Third World Quarterly* 24 (2), pp. 255-282.

Fernando, Lloyd (2005) "The Essence and Direction of Public Administration Reforms." In *Economic Reforms in Sri Lanka: Post-1977 Period*, ed. M. Sarvanan-than. Colombo: International Centre for Ethnic Studies, pp. 67-134.

Fiala, Robert and Lanford, Audri Gordon (1987) "Educational Ideology and the World Educational Revolution, 1950-1970." *Comparative Education Review* 31 (3), pp. 315-332.

Fibre2Fashion (2007) "MAS Active ties up with Fastreact." In *Daily News* (Sri Lanka), September 4, p. 7.

Financial Times (2006) "US expertise to boost textile and clothing education." In *Financial Times* (Sri Lanka), August 6, p. 14.

Financial Times (2007) "Brandix College to offer more RMIT degrees in Sri Lanka " In *Financial Times* (Sri Lanka), July 15, p. 3.

Financial Times on Sunday (2004) "DHL study on how apparel exporters could compete with Chinese producers." In *Financial Times* (Sri Lanka), June 13, p. 3.

Finegold, David and Soskice, David (1988) "The Failure of Training in Britain: Analysis and Prescription." *Oxford Review of Economic Policy* 4 (3), pp. 21-53.

Finlay, Ian (1998) "Stakeholders, Consensus, Participation and Democracy." In *Changing Vocational Education and Training: An international comparative perspective*, eds. I. Finlay, S. Niven and S. Young. London: Routledge, pp. 3-19.

Fonseka, Tilak (2004) "Forward Integration and Supply Capacity of the Garment Industry." In *Ready-Made Garment Industry in Sri Lanka: Facing the Global Challenge*, ed. S. Kelegama. Colombo: Institute of Policy Studies, pp. 143-170.

Foster, Philip J. (1965) "The Vocational School Fallacy in Development Planning." In *Education and Economic Development*, eds. A. Anderson and M. J. Bowman. Chicago: Aldine Publishing Company, pp. 142-166.

Foster, Philip J. (1977) "Education and Social Differentiation in Less Developed Countries." *Comparative Education Review* 21 (2/3), pp. 211-229.

Foster, Philip J. (1992) "Commentary." In *Examinations: Comparative and International Studies*, eds. M. E. Eckstein and H. J. Noah. Oxford/New York: Pergamon, pp. 121-126.

Frost, Mark (2002) "Religious Revival, Nationalist Awakening and the Global Dimension in Colombo, 1870-1920." *Modern Asian Studies* 36 (4), pp. 937-967.

Gamage, Anjana (1999) "Moves to shift NDT from Moratuwa University." In *Observer* (Sri Lanka), September 24, 1999, p. 1.

George, Alexander L. and Bennett, Andrew (2005) *Case Studies and Theory Development in the Social Sciences*. Cambridge/London: MIT Press.

Gereffi, Gary (1999) "International trade and industrial upgrading in the apparel commodity chain." *Journal of International Economics* 48 (1), pp. 37-70.

Gereffi, Gary and Memedovic, Olga (2003) *The Global Apparel Value Chain: What Prospects for Upgrading by Developing Countries?* Vienna: UNIDO. Retrieved August 13, 2009 from http://www.unido.org/fileadmin/import/11900_June2003_GereffiPaperGlobalApparel.4.pdf.

Gherzi Textile and Project Promotion and Management Associates (2002) Strategic development and marketing plans for RMG and related industries. Report submitted to the Ministry of Commerce. Dhaka: Ministry of Commerce.

Ghosh, Henry H. (1910) The advancement of industry; being a study of certain manufacturing industries in India with suggestions for their development. Calcutta: R. Cambray & Co.

Gill, Indermit S. et al. (1999) "Constraints and innovation in reforming national training systems – Cross-country comparisons." *International Journal of Manpower* 20 (7), pp. 405-431.

Glaser, Barney G. and Strauss, Anselm L. (1967) *The discovery of Grounded Theory: strategies for qualitative research*. New York: Aldine De Gruyter.

Glover, Frederick J. (1984) The International Trade Centre UNCTAD/GATT, 1964-1984: A historical account of twenty years of service to developing countries. Geneva: International Trade Centre.

Goldsmith, Arthur A. (2002) "Business associations and better governance in Africa." *Public Administration and Development* 22 (1), pp. 39-49.

Gonon, Philipp (1998) Das internationale Argument in der Bildungsreform: die Rolle internationaler Bezüge in den bildungspolitischen Debatten zur schweizerischen Berufsbildung und zur englischen Reform der Sekundarstufe II. Bern: Peter Lang.

Gonon, Philipp (2001) "Neue Reformbestrebungen im beruflichen Bildungswesen in der Schweiz." In *Berufliche Bildung zwischen nationaler Tradition und globaler Entwicklung: Beiträge zur vergleichenden Berufsbildungsforschung*, ed. T. Deissinger. Baden-Baden: Nomos, pp. 13-44.

Gonon, Philipp (2004) "Convergence of Discourses - Convergence of Structures? The Reform of Vocational Education in England and Switzerland in the Light of the European Integration." In *Social Competences in Vocational and Continuing Education*, eds. P. Gonon and A. Heikkinen. Bern/Berlin: Peter Lang, pp. 199-214.

Gould, Bill (2006) "Working with partners: educational institutions." In *Doing development research*, eds. V. Desai and R. B. Potter. London: Sage, pp. 79-86.

Governing Council of the United Nations Development Programme (1990) Mid-term review of the fourth country programme for Bangladesh: Report of the Administrator (Special session 21-23 February 1990, New York). New York: United National Development Programme. Retrieved August 13, 2009 from http://www.undp.org/execbrd/archives/sessions/gc/OrgSp-1990/DP-1990-12-Add2.pdf.

Government of Bangladesh (1982) Report of the Martial Law Committee on Organisational Set Up. Phase II (Departments and Directorates and Other Organisations under them) - Volume XIII (Ministry of Industries and Commerce) - Part 2 (Industries Division) - Chapter II (Department of Textiles). Dhaka: Government of Bangladesh.

Government of Bangladesh (1992a) *National University Act*. Dhaka: Government of Bangladesh.

Government of Bangladesh (1992b) *Private University Act*. Dhaka: Government of Bangladesh.

Government of Bangladesh (2005) Unlocking the Potential: National Strategy for Accelerated Poverty Reduction. Dhaka: Ministry of Planning.

Government of Pakistan (1962) *Apprenticeship Ordinance (Ordinance No. LVI of 1962)*. Karachi: Government of Pakistan.

Government of Pakistan (1967) Apprenticeship Rules (Dacca Gazette, Extraordinary, Part I, dated October 21). Karachi: Government of Pakistan.

Government of Sri Lanka (2000) Institute of Technology, University of Moratuwa Ordinance (*Gazette of the Democratic Socialist Republic of Sri Lanka: Extraordinary, dated July 27)*. Colombo: Department of Government Printing.

Government of Sri Lanka (2002) Regaining Sri Lanka: Vision and Strategy for Accelerated Development. Colombo: Government of Sri Lanka.

Green, Andy (1990) Education and state formation: the rise of education systems in England, France and the USA. New York: St. Martin's Press.

Green, Andy (1995) "Technical education and state formation in nineteenth-century England and France." *History of Education* 24 (2), pp. 123-139.

Green, Andy (1997) Education, Globalization and the Nation State. Basingstoke: Macmillan.

Green, Andy (1999) "Education and globalization in Europe and East Asia: convergent and divergent trends." *Journal of Education Policy* 14 (1), pp. 55-71.

Green, Andy (2007) "Education, Globalisation and Development: Changing the Terms of Engagement." In *Education and Development in a Global Era: Strategies for 'Successful Globalisation'*, eds. A. Green, A. W. Little, S. Kamat, M. Oketch and E. Vickers. London: DFID, pp. 7-48.

Green, Andy et al. (1999a) Convergence and divergence in European education and training systems. London: University of London.

Green, Francis et al. (1999b) "The Role of the State in Skill Formation: Evidence from the Republic of Korea, Singapore and Taiwan." *Oxford Review of Economic Policy* 15 (1), pp. 82-96.

Greinert, Wolf-Dietrich (2001) "Die Übertragbarkeit des Dualen Systems in Entwicklungsländer - Möglichkeiten und Begrenzungen einer politischen Strategie." In *Berufliche Bildung zwischen nationaler Tradition und globaler Entwicklung: Beiträge zur vergleichenden Berufsbildungsforschung*, ed. T. Deissinger. Baden-Baden: Nomos, pp. 45-60.

Greinert, Wolf-Dietrich (2005) Mass vocational education and training in Europe: Classical models of the 19th century and training in England, France and Germany during the first half of the 20th century. Luxembourg: Office for Official Publications of the European Communities. Retrieved August 13, 2009 from http://www.refernet.org.cy/publications/Cedefop/Pdfs/Vocational/MassVoc_en.pdf.

Greinert, Wolf-Dietrich (2006) "Geschichte der Berufsausbildung in Deutschland." In *Handbuch der Berufsbildung*, eds. R. Arnold and A. Lipsmeier. Wiesbaden: VS Verlag für Sozialwissenschaften, pp. 499-508.

Grubb, W. Norton (2008) "The Education Gospel: American Perspectives and International Patterns." In *Work, education and employability*, eds. P. Gonon, K. Kraus, J. Oelkers and S. Stolz. Bern: Peter Lang, pp. 105-128.

Grubb, W. Norton and Achtenhagen, Frank (2001) "Vocational and occupational education: Pedagogical complexity, institutional indifference." In *Handbook of Research on Teaching*, ed. V. Richardson. Washington DC: American Educational Research Association, pp. 176-206.

Grumiau, Samuel (2000) *Garments "Made in Bangladesh": The Social Reality Behind the Label*. Dhaka: International Confederation of Free Trade Unions.

GTZ (2007) Training Providers Overview: Draft 1. Dhaka: GTZ.

Gunatilaka, Ramani (2001) Freedom of Association and Collective Bargaining in Sri Lanka: Progress and Prospects (Paper prepared for the ILO Area Office, Colombo and presented at the ILO National Tripartite Workshop on Implementation of Conventions 87 & 98 held in Colombo on 18-21 January). Colombo: ILO Area Office.

Gunatillaka, M.D. Ariya (1992) "Training facilities for textile industry inadequate." In *Daily News* (Sri Lanka), May 29, p. 15.

Gunatillake, G. (1999) "Development Policy Regimes." In *Facets of Development of Sri Lanka since Independence: Socio-Economic, Political, Economic, Scientific and Cultural*, eds. W. D. Lakshman and C. A. Tisdell. Brisbane: University of Queensland/Department of Economics, pp. 177-209.

Gunawardene, Prasad (1994) "CV assures garment industry of all "possible assistance"." In *Island* (Sri Lanka), September 19, p. 1.

Hagerty, Devin T. (2008) "Bangladesh in 2007: Democracy Interrupted, Political and Environmental Challenges Ahead." *Asian Survey* 48 (1), pp. 177-183.

Haggard, Stephan et al. (1997) "Theories of Business and Business-State Relations." In *Business and the State in Developing Countries*, eds. S. Maxfield and B. R. Schneider. Ithaca/London: Cornell University Press, pp. 36-60.

Hall, Peter A. and Soskice, David (2001) "An Introduction to Varieties of Capitalism." In *Varieties of capitalism: the institutional foundations of comparative advantage*, eds. P. A. Hall and D. Soskice. Oxford: Oxford University Press, pp. 1-68.

Harney, Klaus and Schriewer, Jürgen (1998) "Beruflichkeit versus *culture technique*: Zu einer Soziogenese arbeitsbezogener Semantik." In *Arbeit und Nationalstaat: Frankreich und Deutschland in europäischer Perspektive*, eds. P. Wagner, C. Didry and B. Zimmermann. Frankfurt a.M./New York: Campus, pp. 128-168.

Harney, Klaus and Zymek, Bernd (1994) "Allgemeinbildung und Berufsbildung. Zwei konkurrierende Konzepte der Systembildung in der deutschen Bildungsgeschichte und ihre aktuelle Krise." *Zeitschrift für Pädagogik* 40 (3), pp. 405-422.

Hettige, Siripalla T. (1995) "Economic Liberalization and the Emerging Patterns of Social Inequality in Sri Lanka." *Sri Lanka Journal of Social Sciences* (Sri Lanka) 18 (1&2), pp. 89-115.

Hettige, Siripalla T. (2000) "Economic Liberalisation, Qualifications and Livelihoods in Sri Lanka." *Assessment in Education* 7 (3), pp. 325-333.

Hettige, Siripalla T. (2000) "Transformation of Society." In *Sri Lanka's Development Since Independence: Socio-Economic Perspectives and Analyses*, eds. W. D. Lakshman and C. A. Tisdell. New York: Nova Science, pp. 19-34.

Hettige, Siripalla T. and Mayer, Markus, eds. (2002) *Sri Lankan Youth: Challenges and Responses*. Colombo: Friedrich Ebert Stiftung.

Hinchliffe, K. (1994) "Education and the Labor Market." In *The International Encyclopedia of Education*, eds. T. Husen and T. N. Postlethwaite. Vol. 3. Oxford: Pergamon, pp. 1703-1707.

Hirdaramani (Industries) Limited (2008) *History of the Company*. Colombo: Hirdaramani (Industries) Limited. Retrieved August 13, 2009 from http://www.hirdaramani.com/data/aboutus/history.htm.

Hollingsworth, J. Rogers and Boyer, Robert (1997) "Coordination of Economic Actors and Social Systems of Production." In *Contemporary Capitalism: The Embeddedness of Institutions*, eds. J. R. Hollingsworth and R. Boyer. Cambridge: Cambridge University Press, pp. 1-47.

Hopper, Richard (1998) "Emerging Private Universities in Bangladesh: Public Enemy or Ally?" In *Private Higher Education: A Global Revolution*, eds. P. G. Altbach and D. C. Levy. Boston: Sense Publishers, pp. 97-100.

Hoque, Khondoker Bazlul (2003) "Public Sector Employment and the PSC's Role in Bangladesh." In *Employment and Labour Market Dynamics*, ed. R. Sobhan. Dhaka: University Press, pp. 251-293.

Hossain, Golam (2004) "Bangladesh Nationalist Party: From Military Rule to the Champion of Democracy." In *Political Parties in South Asia*, eds. S. K. Mitra, M. Enskat and C. Spiess. Westport: Greenwood, pp. 196-215.

Hossain, Ismail (2002) "Export Processing Zones in Bangladesh and Industrial Relations." In *Bangladesh: Economic and Social Challenges of Globalisation*, eds. M. Muqtada, A. M. Singh and M. A. Rashid. Dhaka: ILO Area Office, pp. 169-191.

Hossain, Naomi (2004) Access to Education for the Poor and Girls: Educational Achievements in Bangladesh (Paper presented at the "Scaling Up Poverty Reduction: A Global Learning Process" Conference held in Shanghai on May 25-27). Dhaka: World Bank.

Human Resources Development Council (1992) Strategies for Linking Education and Training to the Labour Market: Findings and Recommendations. Colombo: Marga Institute.

Humphrey, Clare E. (1992) Privatisation in Bangladesh: economic transition in a poor country. Dhaka: University Press.

Hunt, Chester L. and McHale, Thomas R. (1965) "Education and Philippine Economic Development." *Comparative Education Review* 9 (1), pp. 63-73.

Huq, M.M. (1995) "Industrialization in Bangladesh: Aid Dependence and Failure of Technology Transfer." *Bangladesh Journal of Political Economy* (Bangladesh) 13 (1), pp. 167-184.

Hussain, Md. Ghulan (2007) Compliance in RMG Industry of Bangladesh: Government Perspective (Paper prepared for National Tripartite Meeting on Social Compliance in the RMG Industry held in Dhaka on July 18). Dhaka: ILO Area Office.

Hussein, Asiff and Karim, Hameed (2006) *Memons of Sri Lanka: Men - Memoirs - Milestones*. Colombo: Memon Association of Sri Lanka.

Hutchinson, Francis (2004) "Globalisation and the 'Newer' International Division of Labour." *Labour and Management in Development Journal* 4 (6), pp. 1-24.

ILO Area Office (1994) *Apris Report 1*. Dhaka: ILO Area Office.

Industrial Engineering Department DBL Group (2007) *Exam on Training: Sewing Machine Management*. Dhaka: DBL Group.

Inkeles, Alex (1974) "The School as a Context for Modernization." In *Education and Individual Modernity in Developing Countries*, eds. A. Inkeles and D. B. Holsinger. Leiden: E.J. Brill, pp. 7-23.

Inkeles, Alex and Sirowy, Larry (1983) "Convergent and Divergent Trends in National Educational Systems " *Social Forces* 62 (2), pp. 303-333.

Institution of Textile Engineers and Technologists (2008) *The Institution of Textile Engineers and Technologists, Bangladesh*. Dhaka: Institution of Textile Engineers and Technologists. Retrieved August 13, 2009 from http://itet.org.bd/index.asp?ContentID=1&ContentTitle=PREFACE.

International Labour Organization (1999) World Employment Report 1998-99. Employability in the global economy: how training matters. Geneva: International Labour Organization.

International Labour Organization and United Nations Development Programme (1995) *Training and Employment in Garment Industries: Project Findings and Recommendations/Terminal Report (BGD/85/153)*. Geneva: International Labour Organization.

Irizarry, Rafael L. (1980) "Overeducation and Unemployment in the Third World: The Paradoxes of Dependent Industrialization." *Comparative Education Review* 24 (3), pp. 338-352.

Islam, Anisul M. and Quddus, Munir (1996) "The Export Garment Industry in Bangladesh: A Potential Catalyst for Breakthrough." In *The Economy of Bangladesh: Problems and Prospects*, eds. A. N. M. Wahid and C. E. Weis. London: Praeger, pp. 167-197.

Islam, Nurul (1972) "Foreign Assistance and Economic Development: The Case of Pakistan." *The Economic Journal* 82 (325), pp. 502-530.

Islam, Nurul (1981) "The Debate." In *Aid and Influence: The Case of Bangladesh*, ed. J. Faaland. London/Basingstoke: Macmillan, pp. 14-24.

Island (1990a) "CITI receives a grant of 10'000 metres of woven fabric." In *Island* (Sri Lanka), May 15, p. 11.

Island (1990b) "A seminar on clothing technology." In *Island* (Sri Lanka), June 9, p. 13.

Island (1991) "For training in garment production." In *Island* (Sri Lanka), January 30, p. 2.

Island (1992a) "15000 machine operators to be trained annually for garment industry." In *Island* (Sri Lanka), May 19, p. 1.

Island (1992b) "Courses in Clothing Technology." In *Island* (Sri Lanka), June 2, p. 3.

Island (1994) "PM at Apparel Exporters Association Meeting: There's no need to bail out 200 garment factories programme." In *Island* (Sri Lanka), May 14, p. 2.

Island (1999a) "As authorities drag feet on crisis: UOM engineering students, parents to stage demo again tomorrow." In *Island* (Sri Lanka), August 17, p. 5.

Island (1999b) "Tri Star gifts model garment factory." In *Island* (Sri Lanka), November 11, p. 5.

Island (1999c) "Tri-Star's newest venture gives 4000 jobs in NWP." In *Island* (Sri Lanka), January 4, p. 3.

Jalil, Nasir (1998) "Pakistan's Education. The First Decade." In *Education and the State: Fifty Years of Pakistan*, ed. P. Hoodbhoy. Karachi: Oxford University Press, pp. 23-42.

Jayasinghe, Jayampathy (1992) "Textile quotas for rural garment factories to be increased." In *Observer* (Sri Lanka), September 13, p. 6.

Jayasundra, P.B. (2005) Presentation on the role of the National Council for Economic Development in Private Sector Development Planning. Colombo: National Council for Economic Development.

Jayasuriya, John Ernest (1969) Education in Ceylon before and after Independence: 1939-1968. Colombo.

Jayasuriya, Laksiri (2000) Welfarism and Politics in Sri Lanka: Experience of a Third World Welfare State. Perth: University of Western Australia.

Jayawardena, Kumari (2007) Nobodies to Somebodies: The Rise of the Colonial Bourgeoisie in Sri Lanka. Colombo: Sanjiva Books.

Jayawardena, Lal (2004) "Understanding Reforms: 1960-2000." In *Economic Policy in Sri Lanka: Issues and Debates*, ed. S. Kelegama. New Delhi: Sage, pp. 96-108.

Jayaweera, Swarna (1979) "Education." In *Modern Sri Lanka: A Society in Transition*, eds. T. Fernando and R. N. Kearney. Syracuse: Syracuse University, pp. 131-154.

Jayaweera, Swarna (1988) *Educational Policies and Change from the Mid Twentieeth Century to 1977*. Maharagama: National Institute of Education.

Jayaweera, Swarna (1998) "Education in Sri Lanka: Fifty Years since Independence." In *Fifty Years of Sri Lanka's Independence: A Socio-Economic Review*, ed. A. V. D. D. S. Indraratne. Colombo: Sri Lanka Institute of Socio-Economic Studies, pp. 311-341.

Jayaweera, Swarna (2001) Impact of Macro Economic Reforms on Women in Sri Lanka: Garment and Textile Industries. Colombo: Centre for Women's Research.

Jayaweera, Swarna and Sanmugam, Thana (2002) *Graduate Employment in Sri Lanka in the 1990s*. Colombo: Centre for Women's Research.

Jayewardene, B.H.S. (2004) "Sri Lanka." *Textile Asia* 35 (10), pp. 77-78.

Jenne, Erin K. (2003) "Sri Lanka: A Fragmented State." In *State Failure and State. Weakness in a Time of Terror*, ed. R. I. Rotberg. Washington DC: Brookings Institution Press, pp. 219-244.

Jeremy, David J. (1973) "Innovation in American Textile Technology during the Early Nineteenth Century." *Technology and Culture* 14 (1), pp. 40-76.

Jeremy, David J. (1998) Artisans, entrepreneurs and machines: essays on the early Anglo-American textile industries, 1770-1840s. Aldershot: Ashgate.

Joint Apparel Association Forum (2002) *Five Year Strategy for the Sri Lankan Apparel Industry*. Colombo: Joint Apparel Association Forum.

Joint Apparel Association Forum (2003) Sri Lankan Apparel Industry 5 Year Strategy: Revised Productivity Improvement Project. Colombo: Joint Apparel Association Forum.

Joint Apparel Association Forum (2006) Justifying the need of skills at grass root level in the Apparel Industry of Sri Lanka. Colombo: Joint Apparel Association Forum.

Joint Apparel Association Forum (2007) Competence and Beyond: A guide providing a holistic understanding of human capital in the apparel and textile industry. Colombo: Joint Apparel Association Forum.

Jones, Philip W. (1997) "On World Bank Education Financing." *Comparative Education* 33 (1), pp. 117-129.

Jones, Philip W. (2004) "Taking the Credit: Financing and Policy Linkages in the Education Portfolio of the World Bank." In *The Global Politics of Educational Borrowing and Lending*, eds. G. Steiner-Khamsi and T. S. Popkewitz. New York: Teachers College Press, pp. 188-199.

Joshi, Gopal (2002) "Overview of competitiveness, productivity, and job quality in South Asian garment industry." In *Garment Industry in South Asia: Rags or Riches? Competitiveness, productivity and job quality in the post-MFA environment*, ed. G. Joshi. New Delhi: International Labour Organization, pp. 11-22.

Kabir, K.B. et al. (2008) "Novel ideas on Engineering Education in Bangladesh." *Chemical Engineering Research Bulletin* (Bangladesh) 12, pp. 11-19.

Kabir, Lutful and Denecke, Hanna (2007) Review about donor support to the RMG sector as per May 2007. Dhaka: GTZ.

Kabir, Muhammad Ghulam (2000) *Changing face of nationalism: the case of Bangladesh*. Denver: Academic Books.

Kaelble, Hartmut (1981) "Educational Opportunities and Government Policies in Europe in the Period of Industrialization." In *The Development of Welfare States in Europe and America*, eds. P. Flora and A. J. Heidenheimer. New Brunswick: Transaction Books, pp. 239-268.

Kahyarara, Godius and Teal, Francis (2008) "The Returns to Vocational Training and Academic Education: Evidence from Tanzania." *World Development* 36 (11), pp. 2223-2242.

Kaplinksky, Raphael (1989) "'Technological Revolution' and the International Division of Labour in Manufacturing: A Place for the Third World?" *European Journal of Development Research* 1 (1), pp. 5-37.

Karunatilake, A.G. Nimal (1999) "The WTO and the Textile and Clothing Industry of Sri Lanka." *Economic Review* (Sri Lanka) 25 (3&4), pp. 16-22.

Kasturisinghe, Channa (2005) "Workers' unrest threatens to cripple export sector: Politically backed unions disrupt activities at EPZs." In *Island* (Sri Lanka), June 5, p. 1.

Kaur, Amarjit (2003) "Trade liberalisation as development strategy in Bangladesh: are labour standards part of the equation?" *South Asia: Journal of South Asian Studies* 26 (3), pp. 255-268.

Kearney, Robert N. (1971) *Trade Unions and Politics in Ceylon*. New York: Cornell University Press.

Kearney, Robert N. (1975) "Educational Expansion and Political Volatility in Sri Lanka: The 1971 Insurrection." *Asian Survey* 15 (9), pp. 727-744.

Kee, Hiau Looi (2005) *Foreign Ownership and Firm Productivity in Bangladesh Garment Sector*. Dhaka: World Bank. Retrieved August 13, 2009 from http://siteresources.worldbank.org/INTBANGLADESH/Resources/fdiandproductivity.doc.

Keep, Ewart and Mayhew, Ken (1996) "Economic Demand for Higher Education: A Sound Foundation for Further Expansion?" *Higher Education Quarterly* 50 (2), pp. 89-109.

Kelegama, Saman (2004) "A Possible US-Sri Lanka Free Trade Agreement to Support the Garment Industry." In *Ready-Made Garment Industry in Sri Lanka: Facing the Global Challenge*, ed. S. Kelegama. Colombo: Institute of Policy Studies, pp. 215-230.

Kelegama, Saman (2006) Development under Stress: Sri Lankan Economy in Transition. Colombo: Vijitha Yapa.

Kelegama, Saman and Epaarachchi, Roshen (2002) "Garment Industry in Sri Lanka." In *Garment Industry in South Asia: Rags or Riches? Competitiveness, productivity and job quality in the post-MFA environment*, ed. G. Joshi. New Delhi: International Labour Organization, pp. 197-233.

Kelegama, Saman and Epaarachchi, Roshen (2004) "Labour Productivity and Job Quality in the Garment Industry." In *Ready-Made Garment Industry in Sri Lanka: Facing the Global Challenge*, ed. S. Kelegama. Colombo: Institute of Policy Studies, pp. 77-109.

Kelegama, Saman and Foley, Fritz (2004) "Impediments to Promoting Backward Linkages from the Garment Industry." In *Ready-Made Garment Industry in Sri Lanka: Facing the Global Challenge*, ed. S. Kelegama. Colombo: Institute of Policy Studies, pp. 111-142.

Kelegama, Saman and Wickramasinghe, Shan (2004) "Emergence of China as a Major Garment Supplier and its Impact." In *Ready-Made Garment Industry in Sri Lanka: Facing the Global Challenge*, ed. S. Kelegama. Colombo: Institute of Policy Studies, pp. 231-250.

Kelegama, Saman and Wijayasiri, Janaka (2004) "Overview of the Garment Industry in Sri Lanka." In *Ready-Made Garment Industry in Sri Lanka: Facing the Global Challenge*, ed. S. Kelegama. Colombo: Institute of Policy Studies, pp. 13-45.

Kell, Adolf (2006) "Organisation, Recht und Finanzierung der Berufsbildung." In *Handbuch der Berufsbildung*, eds. R. Arnold and A. Lipsmeier. Opladen: Leske und Budrich, pp. 453-484.

Kempner, Ken et al. (1993) "Apprenticeship: The perilous journey from Germany to Togo." *International Review of Education* 39 (5), pp. 373-390.

Keohane, Robert O. (2001) "Regime." In *The Oxford Companion to the Politics of the World*, ed. J. Krieger. New York: Oxford University Press, pp. 720-721.

Khan, Irshad Kamal (2003) "Migration of Workers from Bangladesh: Opportunities, Challenges and Policies." In *Employment and Labour Market Dynamics*, ed. R. Sobhan. Dhaka: University Press, pp. 295-311.

Khan, Jasim Uddin (2008) "Govt moves to train RMG managers to counter labour unrest." In *Daily Star* (Bangladesh), February 6, p. 8.

Khan, Md. Ali Nesar (2007) "Education and Training in Bangladesh Textile Sector." *Bangladesh Cotton: A Global Textile Magazine* (Bangladesh) 7 (3), pp. 6-10.

Khundker, Nasreen (2002) "Garment Industry in Bangladesh." In *Garment Industry in South Asia: Rags or Riches? Competitiveness, productivity and job quality in the post-MFA environment*, ed. G. Joshi. New Delhi: International Labour Organization, pp. 23-48.

Kincaid, A. Douglas and Portes, Alejandro (1994) "Sociology and Development in the 1990s: Critical Challenges and Empirical Trends." In *Comparative National Development: Society and Economy in the New Global Order*, eds. A. D. Kincaid and A. Portes. Chapel Hill: University of North Carolina Press, pp. 1-25.

King, Kenneth J. (1971) Pan-Africanism and Education: A Study of Race, Philantropy and Education in the Southern States of America and Eastern Africa. Oxford: Clarendon Press.

King, Kenneth J. (2003) "The International Steering of Education Systems: The Case of the World Bank in the Fields of Work, Education and Occupation." In *Futures of Education II: Essays from an Interdisciplinary Symposium*, ed. J. Oelkers. Bern: Peter Lang, pp. 107-122.

King, Kenneth J. and Martin, Chris (2002) "The vocational school fallacy revisited: education, aspiration and work in Ghana 1959-2000." *International Journal of Educational Development* 22 (1), pp. 5-26.

Kiyokawa, Yukihiko (1983) "Technichal Adaptations and Managerial Resources in India: A Study of the Experience of the Cotton Textile Industry from a Comparative Viewpoint." *The Developing Economies* 21 (2), pp. 97-133.

Klees, Steven J. (2002) "World Bank education policy: new rhetoric, old ideology." *International Journal of Educational Development* 22 (5), pp. 451-474.

Knill, Christoph (1998) "European Policies: The Impact of National Administrative Traditions." *Journal of Public Policy* 18 (1), pp. 1-28.

Kochanek, Stanley A. (1993) *Patron-Client Politics and Business in Bangladesh*. New Delhi: Sage Publications.

Korf, Benedikt (2005) "Rethinking the Greed-Grievance Nexus: Property Rights and the Political Economy of War in Sri Lanka." *Journal of Peace Research* 42 (2), pp. 201-217.

Kraak, Andre (2004) "Training policies under late apartheid: the historical imprint of a low skills regime." In *Shifting Understandings of Skills in South Africa: Overcoming the Historical Imprint of a Low Skills Regime*, eds. S. McGrath, A. Badroodien, A. Kraak and L. Unwin. Cape Town: Human Sciences Research Council, pp. 20-45.

Krueger, Anne O. (1993) Political Economy of Policy Reform in Developing Countries. Cambridge: MIT Press.

Kuruppu, Rohan (1991) "Clothing Industry Training Institute." In *Island* (Sri Lanka), March 18, p. 9.

Kuruvilla, Sarosh et al. (2002) "An Assessment of the Singapore Skills Development System: Does it Constitute a Viable Model for Other Developing Countries?" *World Development* 30 (8), pp. 1461-1476.

Küster, Sybille (2007) "'Book Learning' versus 'Adapted Education': the Impact of Phelps-Stokesism on Colonial Education Systems in Central Africa in the Interwar Period." *Paedagogica Historica* 43 (1), pp. 79-97.

Lakshman, Weligama D. (1979) "A Free Trade Zone in Sri Lanka: Some Relevant Issues." *Social Science Review* (Sri Lanka) 1 (June), pp. 76-112.

Lakshman, Weligama D. (1987) "IMF-World Bank Intervention in Sri Lankan Economic Policy: Historical Trends and Patterns." In *Essays on the Sri Lankan Economy*, eds. D. Dunham and C. Abeysekara. Colombo: Social Scientists' Association of Sri Lanka, pp. 54-95.

Lakshman, Weligama D. (1996) *Socio-Economic Impact of Structural Adjustment Policies in Sri Lanka*. Perth: Centre for Development Studies.

Lall, S. (1998) "Exports of manufactures by developing countries: emerging patterns of trade and location." *Oxford Review of Economic Policy* 14 (2), pp. 54-73.

Lall, Sanjaya (1999) *Competing with Labour: Skills and Competitiveness in Developing Countries*. Geneva: International Labour Organization. Retrieved August 13,

2009 from http://www.ilo.org/public/english/employment/strat/download/iddp31.pdf.

Lange, Fabian and Topel, Robert (2006) "The social value of education and human capital." In *Handbook of the economics of education*, eds. E. A. Hanushek and F. Welch. Amsterdam: Elsevier, pp. 469-508.

Lange, Hermann (1999) "Die Form des Berufs." In *Beruf und Berufsbildung: Situation, Reformperspektiven und Gestaltungsmöglichkeiten*, eds. K. Harney and H.-E. Tenorth. Weinheim/Basel: Beltz, pp. 11-34.

Latif, Sherezad (2004) Improvements in the quality of primary education in Bangladesh, 1990 - 2002 (Background paper prepared for the Education for All Global Monitoring Report 2005). Paris: UNESCO. Retrieved August 13, 2009 from http://unesdoc.unesco.org/images/0014/001466/146657e.pdf.

Lauder, Hugh et al. (2006) "Globalisation, skills formation and the dilemmas of integrated policy: the case of South Africa." In *Debating high skills and joined-up policy*, eds. A. Kraak, H. Lauder, P. Brown and D. Ashton. Cape Town: Human Sciences Research Council, pp. 45-65.

Lauder, Hugh et al. (2008) "Globalisation, Skill Formation and the Varieties of Capitalism Approach." *New Political Economy* 13 (1), pp. 19-35.

Lauglo, Jon (1996) "Banking on Education and the Use of Research: A Critique of World Bank Priorities and Strategies for Education." *International Journal of Educational Development* 16 (3), pp. 221-233.

Lauglo, Jon and Närman, Anders (1988) "Diversified Secondary Education in Kenya: The Status of Practical Subjects and their Uses after School." In *Vocationalizing Education: An International Perspective*, eds. J. Lauglo and K. Lillis. Oxford: Pergamon, pp. 235-256.

Lave, Jane (1996) "Teaching, as learning, in practice." *Mind, Culture, and Activity* 3 (3), pp. 149-164.

Leeratne, P.M. (2001) Study on the Relationship between education, training and employment. Colombo: ILO Area Office.

Leftwich, Adrian (2005) "Politics in command: Development studies and the rediscovery of social science." *New Political Economy* 10 (4), pp. 573-607.

Lemire, Beverly (2003) "Domestic Industry and Consumer Demand, 1660-1780." In *The Cambridge History of Western Textiles*, ed. D. Jenkins. Cambridge: Cambridge University Press, pp. 493-512.

Leonard, Elmo (1991) "Foreign collaborators will help train young technologists." In *Island* (Sri Lanka), January 8, p. 8.

Leonard, Elmo (1994) "Influential persons hold export garment quota." In *Sunday Observer* (Sri Lanka), November 4, p. 1.

Lewin, Keith and Little, Angela W. (1982) Examination Reform and Educational Change in Sri Lanka 1972-1982: Modernisation or Dependent Underdevelopment? Brighton: University of Sussex.

Lewis, David (2004) "On the difficulty of studying 'civil society': Reflections on NGOs, state and democracy in Bangladesh." *Contributions to Indian Sociology* 38 (3), pp. 299-322.

Lewis, David J. (1997) "NGOs, Donors, and the State in Bangladesh." *Annals of the American Academy of Political and Social Science* 554 (1), pp. 33-45.

Little, Angela W. (1999) Labouring to Learn: Towards a Political Economy of Plantations, People and Education in Sri Lanka. New York: Macmillan.

Little, Angela W. and Evans, Jane (2005) "The growth of foreign qualification suppliers in Sri Lanka: de facto decentralisation?" *Compare* 35 (2), pp. 181-191.

Lohani, Sagar (2007) "President of BGMEA Anwar-Ul-Alam Choudhury: An Exclusive Interview." *Bangladesh Cotton: A Global Textile Magazine* (Bangladesh) 7 (3), pp. 30-33.

Lopez-Calva, Luis F. (2001) "Child Labor: Myths, Theories and Facts." *Journal of International Affairs* 55 (1), pp. 61-73.

Lorch, Klaus (1997) "Privatization through Private Sale: The Bangladeshi Textile Industry." In *Privatisation and Control of State-Owned Enterprises*, eds. R. Ramamurti and R. Vernon. Washington DC: World Bank, pp. 126-152.

Lovett, Frank (2006) "Rational Choice Theory and Explanation." *Rationality and Society* 18 (2), pp. 237-272.

Lucas, John (1997) "The politics of business associations in the developing world." *Journal of Developing Areas* 32 (1), pp. 71-96.

Luhmann, Niklas (1994) Politische Planung: Aufsätze zur Soziologie von Politik und Verwaltung. Opladen: Westdeutscher Verlag.

Luhmann, Niklas (2002) *Das Erziehungssystem der Gesellschaft*. Frankfurt a.M.: Suhrkamp.

Luhmann, Niklas and Schorr, Karl Eberhard (1979) *Reflexionsprobleme im Erziehungssystem*. Stuttgart: Klett-Cotta.

Madeira, Ana Isabel (2005) "Portuguese, French and British discourses on colonial education: Church-State relations, school expansion and missionary competition in Africa, 1890-1930." *Paedagogica Historica* 41 (1), pp. 31-60.

Mahalingam, M. (2000a) "Development of Engineering Education." In *University Education since Independence: A Publication to Commemorate the 50th Anniversary of Independence*, eds. S. Tilakaratna and H. P. M. Gunasena. Colombo: University Grants Commission, pp. 65-71.

Mahalingam, S. (2000b) "A Brief History of the Faculty of Engineering." In *Memoirs of an Engineering Faculty*, ed. Faculty of Engineering. Peredeniya: University of Peredeniya, pp. 1-16.

Mahler, Vincent A. (1980) Dependency approaches to international political economy: a cross-national study. New York: Columbia University Press.

Mahmud, Wahiduddin (2006) "Employment, Incomes and Poverty: Prospects of Pro-Poor Growth in Bangladesh." In *Growth and Poverty: The Development Experience of Bangladesh*, eds. S. Ahmed and W. Mahmud. Dhaka: University Press, pp. 21-45.

Mahmud, Wahiduddin et al. (2008) *Economic Reforms, Growth, and Governance: The Political Economy Aspects of Bangladesh's Development Surprise*. Dhaka: World Bank/Commission on Growth and Development. Retrieved August 13, 2009 from http://www.growthcommission.org/storage/cgdev/documents/gcwp022web.pdf.

Mahoney, James (2000) "Path dependence in historical sociology." *Theory & Society* 29 (4), pp. 507.

Mahoney, James (2007) "Qualitative Methodology and Comparative Politics." *Comparative Political Studies* 40 (2), pp. 122-144.

Malalasekera, G.P (1969) "Expansion of University Education." In *Education in Ceylon*, ed. Ministry of Education. Colombo: Ministry of Education, pp. 883-902.

Mangen, Steen (1999) "Qualitative research methods in cross-national settings." *International Journal of Social Research Methodology* 2 (2), pp. 109-124.

Mannapperuma, Chanuka (2003) "Factory improvement programme in Apparel Sector." In *Observer* (Sri Lanka), November 16, p. 57.

Mansoor, Ali and Cotton, Andrew (2006) "Working with partners: government ministries." In *Doing development research*, eds. V. Desai and R. B. Potter. London: Sage, pp. 87-93.

Marchese, Marco and Sakamoto, Akiko (2008) *Skills development for industrial clusters: A preliminary review*. Geneva: International Labour Organization.

Marginson, Simon (1999) "After globalization: emerging politics of education." *Journal of Education Policy* 14 (1), pp. 19-31.

Mascarenhas, Anthony (1986) *Bangladesh: A Legacy of Blood*. London: Hodder and Stoughton.

Mayer, Christine (2001) "Transfer of Concepts and Practices of Vocational Eduation and Training from the Center to the Periphery: the case of Germany." *Journal of Education and Work* 14 (2), pp. 189-208.

Mayntz, Renate (2002) "Zur Theoriefähigkeit makro-sozialer Analysen." In *Akteure, Mechanismen, Modelle: Zur Theoriefähigkeit makro-sozialer Analysen*, ed. R. Mayntz. Frankfurt a.M.: Campus, pp. 7-43.

Mayntz, Renate (2004) "Mechanisms in the Analysis of Social Macro-Phenomena." *Philosophy of the Social Sciences* 34 (2), pp. 237-259.

Mc Kay, John (2005) "South Korea's Education and Skills Development: Some Lessons for Africa." In *Global Best Practice*, ed. South African Institute of International Affairs. Johannesburg: South African Institute of International Affairs, pp. 42-65.

McGrath, Simon et al. (2006) "An examination of the vocational education and training reform debate in Southern Africa." *Compare* 36 (1), pp. 85-103.

McGrath, Simon et al., eds. (2004) Shifting Understandings of Skills in South Africa: Overcoming the Historical Imprint of a Low Skills Regime. Cape Town: Human Sciences Research Council.

McQuaid, Ronald W. (2000) "Understanding public-private partnerships in international perspective: globally convergent or nationally divergent phenomena?" In *Public-Private Partnerships: Theory and practice in international perspective*, ed. S. P. Osborne. London: Routledge, pp. 9-35.

Menzel, Ulrich (1991) "Das Ende der "Dritten Welt" und das Scheitern der grossen Theorie: Zur Soziologie einer Disziplin in auch selbstkritischer Absicht." *Politische Vierteljahresschrift* 32 (1), pp. 4-33.

Meyer, John W. and Ramirez, Francisco O. (2000) "The world institutionalization of education: origins and implications." In *Discourse formation in comparative education*, ed. J. Schriewer. Frankfurt a.M.: Peter Lang, pp. 111-132.

Meyer, John W. and Rowan, Brian (1977) "Institutionalized Organizations: Formal Structure as Myth and Ceremony." *The American Journal of Sociology* 83 (2), pp. 340-363.

Meyer, John W. et al. (1993) "The Expansion of Mass Education in Botswana: Local and World Society Perspectives." *Comparative Education Review* 37 (4), pp. 454-475.

Meyer, John W. et al. (1997) "World Society and the Nation-State." *American Journal of Sociology* 103 (1), pp. 144-181.

Meyer-Stamer, Jörg (1999) "Technology, Competitiveness and Governance." In *Technology, competitiveness and the state: Malaysia's industrial technology policies*, eds. K. S. Jomo and G. Felker. London: Routledge, pp. 38-52.

Migdal, Joel S. (1988) Strong societies and weak states: State-society relations in the Third World. Princeton: Princeton University Press.

Migdal, Joel S. (2001) State in society: studying how states and societies transform and constitute one another. New York: Cambridge University Press.

Miller, Gary and Cook, Kathleen (1998) "Leveling and Leadership: Hierarchy and Social Order." In *Institutions and social order*, eds. K. E. Sołtan, E. M. Uslaner and V. Haufler. Ann Arbor: University of Michigan Press, pp. 67-100.

Ministry of Finance (2003) Bangladesh: A National Strategy for Economic Growth, Poverty Reducation, and Social Development. Dhaka: Government of Bangladesh.

Ministry of Finance and Planning (1982) *Public Investment 1982-1986*. Colombo: Ministry of Finance and Planning.

Ministry of Finance and Planning (1992) *Public Investment Programme*. Colombo: Ministry of Finance and Planning.

Ministry of Finance and Planning (1997) *Public Investment Programme*. Colombo: Ministry of Finance and Planning.

Ministry of Finance and Planning (2005) *2006 Budget Speech*. Colombo: Ministry of Finance and Planning.

Ministry of Labour and Manpower (1984) Fixation of the Duration of Courses by TTC and VTI: Committee Report of 29 August 1984 (in Bengali). Dhaka: Government of Bangladesh.

Ministry of Planning (1971) *The Five Year Plan (1972-1976)*. Colombo: Ministry of Planning.

Ministry of Policy Planning (1979) *Public Investment Programme*. Colombo: Ministry of Policy Planning.

Ministry of Policy Planning (1984) *Public Investment Programme 1984-1989*. Colombo: Ministry of Policy Planning.

Ministry of Policy Planning (1987) *Public Investment Programme 1987-1992*. Colombo: Ministry of Policy Planning.

Ministry of Skills Development, Vocational and Technical Education (2004) Minister's Executive Order for the Institutionalization of a Unified National System of Skills Development, Vocational and Technical Education for Sri Lanka. Colombo: Ministry of Skills Development, Vocational and Technical Education.

Ministry of Textile Industries (1987) *Review of Activities 1981-1986*. Colombo: Ministry of Textile Industries.

Ministry of Textile Industries (1988) *Review of Activities 1986-1987*. Colombo: Ministry of Textile Industries.

Ministry of Vocational and Technical Training (2007) *Prospectus for National Vocational Qualifications*. Colombo: Ministry of Vocational and Technical Training.

Mjöset, Lars (2006) "No fear of comparisons or context: on the foundations of historical sociology." *Comparative Education* 42 (3), pp. 337-362.

Mlachila, Montfort and Yang, Yongzheng (2004) *The End of Textiles Quotas: A Case Study of the Impact on Bangladesh*. Washington DC/Dhaka: International Monetary Fund.

Moenjak, Thammarak and Worswick, Christopher (2003) "Vocational education in Thailand: a study of choice and returns." *Economics of Education Review* 22 (1), pp. 99-107.

Molla, Gyasuddin (2004) "The Awami League: From Charismatic Leadership to Political Party." In *Political Parties in South Asia*, eds. S. K. Mitra, M. Enskat and C. Spiess. Westport: Greenwood, pp. 196-215.

Monem, Mobasser and Hasin, Farah (2001) "Reform in a Hot Climate: Democratic Transition, Privatisation and Organised Labour Resistance in Bangladesh (1991-95)." *Social Science Review* (Bangladesh) 18 (2), pp. 109-120.

Mookerjee, Syama Prasad (1944) "Education in British India." *Annals of the American Academy of Political and Social Science* 233 (1), pp. 30-38.

Morgenthau, Hans J. (1962) "A Political Theory of Foreign Aid." *American Political Science Review* 56 (2), pp. 301-309.

Morris, Mike and Reed, Lynn (2009) "Clothing and textiles." In *Sectors and Skills: The Need for Policy Alignment*, ed. A. Kraak. Cape Town: Human Sciences Research Council, pp. 200-218.

Morris, Paul (1996) "Asia' s Four Little Tigers: a comparison of the role of education in their development." *Comparative Education* 32 (1), pp. 95-109.

Multistakeholder Forum Bangladesh for Garments (2007a) Development Proposal: Building Sustainable "Social Compliance" and "Productivity" capacity for the Bangladesh Readymade Garment Industry. Dhaka: GTZ.

Multistakeholder Forum Bangladesh for Garments (2007b) MFB Proposed Funding Package No 1 (Capacity Building of Private and Public Service Providers). Dhaka: GTZ.

Münch, Joachim (2006) "Berufsbildungspolitik." In *Handbuch der Berufsbildung*, eds. R. Arnold and A. Lipsmeier. Opladen: Leske und Budrich, pp. 485-498.

Muqtada, Muhammed (2003) "Promotion of Employment and Decent Work in Bangladesh: Macroeconomic and Labour Market Policy Considerations." In *Employment and Labour Market Dynamics*, ed. R. Sobhan. Dhaka: University Press, pp. 317-351.

Musson, A. E. (1976) "Industrial Motive Power in the United Kingdom, 1800-70." *The Economic History Review* 29 (3), pp. 415-439.

Nagel, Joane and Snyder, Conrad W. (1989) "International Funding of Educational Development: External Agendas and Internal Adaptations. The Case of Liberia." *Comparative Education Review* 33 (1), pp. 3-20.

Naidoo, Rajani (2003) "Repositioning Higher Education as a Global Commodity: opportunities and challenges for future sociology of education work." *British Journal of Sociology of Education* 24 (2), pp. 249-259.

Nakkawite, Wijitha and Nanayakkara, Walter (1995) "Govt. keen on strengthening the working class: Minister." In *Island* (Sri Lanka), March 21, p. 1.

Nath, Samir R. (2002) "The Transition from Non-Formal to Formal Education: The Case of BRAC, Bangladesh." *International Review of Education* 48 (6), pp. 517-524.

National Apprentice and Industrial Training Authority (1998) *Training Order for Initial Training in Trainee Occupation of Tailor (Gents Garments) / Trainee Occupation No. IN - 16 - 15*. Colombo: National Apprentice and Industrial Training Authority.

National Apprentice and Industrial Training Authority (2001) *Annual Performance Report 2000*. Colombo: Ministry of Technical Education and Vocational Training.

National Apprentice and Industrial Training Authority (2005a) *National Skill Standards for Industrial Sewing Machine Operator (Skill Standards Code D18S001)*. Colombo: Ministry of Skills Development, Vocational and Technical Education.

National Apprentice and Industrial Training Authority (2005b) *National Skills Standards for Work Study Officer (Skill Standards Code D18S002)*. Colombo: Ministry of Skills Development, Vocational and Technical Education.

National Apprentice and Industrial Training Authority (2005c) *National Vocational Qualifications Framework of Sri Lanka: Operations Manual*. Colombo: Ministry of Skills Development, Vocational and Technical Education.

National Apprentice and Industrial Training Authority (2007a) *National Skill Standard for Fabric Cutter (Skill Standards Code D18S006)*. Colombo: Ministry of Vocational and Technical Training.

National Apprentice and Industrial Training Authority (2007b) *National Skill Standard for Fabric Inspector (Skill Standards Code D17S001)*. Colombo: Ministry of Vocational and Technical Training.

National Apprentice and Industrial Training Authority (2007c) *National Skill Standard for Pattern Maker (Skill Standards Code D18S007)*. Colombo: Ministry of Vocational and Technical Training.

National Apprentice and Industrial Training Authority (2007d) *National Skill Standard for Production Supervisor - Sewing (Draft)*. Colombo: Ministry of Vocational and Technical Training.

National Apprentice and Industrial Training Authority (2007e) *National Skill Standard for Quality Controller (Skill Standards Code D18S005)*. Colombo: Ministry of Vocational and Technical Training.

National Apprentice and Industrial Training Authority (2007f) *National Skill Standard for Quality Inspector / Controller (Draft)*. Colombo: Ministry of Vocational and Technical Training.

National Apprenticeship Board (1973) *A Guide to Apprenticeship for Employers, Parents, Apprentices*. Colombo: National Apprenticeship Board.

National Council for Economic Development (2008) *Corporate Plan 2007 - 2009*. Colombo: Ministry of Finance and Planning.

National Institute of Technical Education (2000) *About the Dacum Process*. Ratmalana: National Institute of Technical Education.

National Institute of Technical Education (2003) *Curriculum Outline Document: Industrial Sewing Machine Operator*. Ratmalana: National Institute of Technical Education/Skills Development Project.

Neef, Dale et al. (1998) *The economic impact of knowledge*. Boston: Butterworth-Heinemann.

Neuman, W. Lawrence (2006) Social research methods: qualitative and quantitative approaches. Boston: Allyn and Bacon.

Newton, B.W. (1998) Letter to Mr. Mostafa Golam Quddus, President BGMEA (dated February 18). Dhaka: Education Services Co. Ltd.

Nieuwenhuis, F.J. (1997) "Can research into the development of education in post-colonial Africa shape education policies in South Africa?" *International Journal of Educational Development* 17 (2), pp. 129-143.

Ninnes, Peter and Burnett, Gregory (2003) "Comparative education research: post-structuralist possibilities." *Comparative Education* 39 (3), pp. 279-297.

Noah, Harold J. and Eckstein, Max E. (1988) "Dependency Theory in Comparative Education: Twelve Lessons from the Literature." In *Theories and methods in comparative education*, ed. J. Schriewer. Frankfurt a.M./Bern: Lang, pp. 165-192.

North Carolina State University et al. (2004) Memorandum of Understanding between North Carolina State University on behalf of its College of Textiles Raleigh, North

Carolina, USA, and Textile Training and Services Center (TT&SC) and Clothing Industry Training Institute (CITI) of the Democratic Socialist Republic of Sri Lanka. Ratmalana: Textile Training and Services Centre.

Nuscheler, Franz (2004) Lern- und Arbeitsbuch Entwicklungspolitik. Bonn: Dietz.

Observer (2003) "Apparel giants merge." In *Observer* (Sri Lanka), August 31, p. 5.

Observer (2004) "World's 1st batch of CIM Apparel Marketers." In *Observer* (Sri Lanka), May 2, 2004, p. 2.

Oelkers, Jürgen (2003) *Einführung in die Theorie der Erziehung*. Weinheim/Basel: Beltz.

Oelkers, Jürgen (2006) *Expertise gymnasiale Mittelschulen*. Zürich: Universität Zürich/Pädagogisches Institut.

Open University (1985) Report of the Joint Evaluation Commission on the Open University of Sri Lanka. Nugegoda: Open University.

Open University (1986) Report of the Sub-Commission on Further Growth and Development of the Open University of Sri Lanka. Nugegoda: Open University.

Open University (1987) *The Open University of Sri Lanka*. Nugegoda: Open University.

Open University (2000) *Annual Report and Annual Accounts 1999*. Nugegoda: Open University.

Orren, Karen and Showronek, Stephen (1999) "In Search of Political Development." In *The liberal tradition in American politics: reassessing the legacy of American liberalism*, eds. D. F. Ericson and L. B. Green. New York: Routledge, pp. 29-42.

Osei, George M. (2003) "Issues Arising from an Examination of the Junior Secondary School Reform in 1987 in Ghana." *Educational Studies* 29 (2&3), pp. 141-177.

Oxenham, William (2006) Proposed Collaboration between the College of Textiles NC State University, the Textile Training and Services Centre of the Democratic Socialist Republic of Sri Lanka and the Clothing Industry Training Institute. Raleigh: North Carolina State University.

Oxtoby, Robert (1997) "Barriers to the Provision of Cost-Effective Technical Education in Bangladesh." *International Journal of Educational Development* 17 (1), pp. 91-99.

Palpacuer, Florence et al. (2005) "New Challenges for Developing Country Suppliers in Global Clothing Chains: A Comparative European Perspective." *World Development* 33 (3), pp. 409-430.

Pandey, V.C. (2005) Issues and Trends In Educational And Vocational Guidance. New Delhi: Gyan Books.

Pararajasingham, E. (2006) Textile History of Sri Lanka: From Ancient Times to New Millenium. Colombo: Paranan Associate.

Parkinson, Jack (1981) "The Role of the World Bank." In *Aid and Influence: The Case of Bangladesh*, ed. J. Faaland. London/Basingstoke: Macmillan, pp. 147-164.

Parliament of the Democratic Socialist Republic of Sri Lanka (1971) *National Apprenticeship Act*. Colombo: Department of Government Printing.

Parliament of the Democratic Socialist Republic of Sri Lanka (1978) *Greater Colombo Economic Commission Act*. Colombo: Department of Government Printing.

Parliament of the Democratic Socialist Republic of Sri Lanka (1984) *Clothing Industry Training Institute Act*. Colombo: Department of Government Printing.

Parliament of the Democratic Socialist Republic of Sri Lanka (1990) *Tertiary and Vocational Education Act*. Colombo: Department of Government Printing.

Parliament of the Democratic Socialist Republic of Sri Lanka (1997) *National Human Resources Development Council of Sri Lanka Act*. Colombo: Department of Government Printing.

Parliament of the Democratic Socialist Republic of Sri Lanka (1999) *Industrial Disputes (Amendment) Act*. Colombo: Department of Government Printing.

Patel, Praful (2004) *Opening Address at the Bangladesh Development Forum*. Dhaka: World Bank. Retrieved August 13, 2009 from http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20200587~menuPK:34474~pagePK:34370~piPK:42770~theSitePK:4607,00.html.

Pathmanathan, S. (2000) "Development of University Education." In *University Education since Independence: A Publication to Commemorate the 50th Anniversary of Independence*, eds. S. Tilakaratna and H. P. M. Gunasena. Colombo: University Grants Commission, pp. 1-14.

Paul, Bimal Kanti (1992) "Female Activity Space in Rural Bangladesh." *Geographical Review* 82 (1), pp. 1-12.

Paul-Majumder, Pratima and Begum, Anwara (2006) *Engendering the Garment Industry: The Bangladesh Context*. Dhaka: University Press.

Paul-Majumder, Pratima and Begum, Sharifa (1997) *Upward Occupational Mobility Among Female Workers in the Garment Industry of Bangladesh*. Dhaka: Bangladesh Institute of Development Studies.

Peiris, G.H. (1993a) "Evolution of the Modern Political Economy." In *Sri Lanka: Problems of Governance*, ed. K. M. De Silva. New Delhi: International Centre for Ethnic Studies, pp. 179-191.

Peiris, G.H. (1993b) "Government Intervention in Industrial Development." In *Sri Lanka: Problems of Governance*, ed. K. M. De Silva. New Delhi: International Centre for Ethnic Studies, pp. 231-249.

Peiris, M. D. D. (2002) In the Pursuit of Governance: A Memoir of over Three and a Half Decades in the Public Service of Sri Lanka. Colombo: Stamford Lake Publications.

Perera, B. (1982) "Minister says FTZ girls are virgins." In *Island* (Sri Lanka), August 31, p. 1.

Perera, D.S. (2003) *Implementation of Non-Formal Education in Sri Lanka*. Colombo: National Education Commission.

Perera, Nirmali (1993) "Undergrad study program in textile and clothing technology." In *Observer* (Sri Lanka), September 12, 1993, p. 10.

Perera, Yohan (2002) "Mega apparel supplies expo opens in Colombo." In *Financial Times* (Sri Lanka), November 9, p. 4.

Peshkin, Alan (1963) "The Shaping of Secondary Education in Pakistan." *History of Education Quarterly* 3 (1), pp. 4-18.

Pierson, Paul (2000a) "Increasing Returns, Path Dependence, and the Study of Politics." *The American Political Science Review* 94 (2), pp. 251-267.

Pierson, Paul (2000b) "Not Just What, But When: Timing and Sequences in Political Processes." *Studies in American Political Development* 14 (Spring), pp. 72-92.

Pierson, Paul and Skocpol, Theda (2002) "Historical Institutionalism in Contemporary Political Science." In *Political science: the state of the discipline*, eds. I. Katznelson and H. V. Milner. New York: W.W. Norton, pp. 693-721.

Planning Commission (1978) *The Two Year Plan: 1978-1980*. Dhaka: Government of Bangladesh.

Planning Commission (1985) *The Third Five Year Plan: 1985-90*. Dhaka: Government of Bangladesh.

Planning Commission (1989) *Annual Development Programme: 1989-90*. Dhaka: Government of Bangladesh.

Planning Commission (1990) *Annual Development Programme: 1990-91*. Dhaka: Government of Bangladesh.

Planning Commission (1993) *Annual Development Programme: 1993-94*. Dhaka: Government of Bangladesh.

Planning Commission (1994) *Annual Development Programme: 1994-95*. Dhaka: Government of Bangladesh.

Planning Commission (1995) *Annual Development Programme: 1995-96*. Dhaka: Government of Bangladesh.

Planning Commission (1996) *Annual Development Programme: 1996-97*. Dhaka: Government of Bangladesh.

Planning Commission (1997) *The Fifth Five Year Plan: 1997-2002*. Dhaka: Government of Bangladesh.

Planning Commission (1999) *Annual Development Programme: 1999-2000*. Dhaka: Government of Bangladesh.

Planning Commission (2000) *Annual Development Programme: 2000-2001*. Dhaka: Government of Bangladesh.

Pollin, Robert et al. (2004) "Global apparel production and sweatshop labour: can raising retail prices finance living wages?" *Cambridge Journal of Economics* 28 (2), pp. 153-171.

Powell, M. (2001) "A comparative study of TVET projects - implementation experiences from Jamaica and The Gambia." *International Journal of Educational Development* 21 (5), pp. 417-431.

Powell, Walter W. and Snellman, Kaisa (2004) "The Knowledge Economy." *Annual Review of Sociology* 30 (1), pp. 199-220.

Presidential Secretariat (1998) *Technical Education and Vocational Training: An Agenda for Reform*. Colombo: Presidential Secretariat.

Presidential Task Force on Technical Education and Vocational Training Reforms (1997) *Technical Education and Vocational Training Reforms: Policies, Strategies, and Action Programmes*. Colombo: Deparment of Government Printing.

Price Waterhouse Coopers (2004) Private Sector Development and Financial Market Governance Program (PPTA 4248-SRI): Mid Term Report. Colombo: Ministry of Finance and Planning.

Primeasia University (2008) *Academic Programs*. Dhaka: Primeasia University. Retrieved August 13, 2009 from http://www.primeasia.edu.bd/.

Project Promotion & Management Associates Ltd. (2006) Needs Assessment Survey for Strengthening Bangladesh Primary Textile & RMG Industry (Training, Research, Design, Testing). Dhaka: UNIDO.

Psacharopoulos, George (1987) "To Vocationalize or Not to Vocationalize? That is the Curriculum Question." *International Review of Education* 33 (2), pp. 187-211.

Psacharopoulos, George (1991) "From manpower planning to labour market analysis." *International Labour Review* 130 (4), pp. 459-474.

Psacharopoulos, George and Loxley, W. (1985) *Diversified Secondary Education and Development: Evidence from Colombia and Tanzania*. Baltimore: John Hopkins University Press.

Psacharopoulos, George and Patrinos, Harry Anthony (2004) "Returns to investment in education: a further update." *Education Economics* 12 (2), pp. 111-134.

Punchi, Lakshman (2001) "Resistance towards the Language of Globalisation: The Case of Sri Lanka." *International Review of Education* 47 (3-4), pp. 361-378.

Quddus, Munir and Rashid, Salim (2000) Entrepreneurs and Economic Development: The Remarkable Story of Garment Exports from Bangladesh. Dhaka: University Press.

Quddus, S.M. Abdul (2007) The Unfeasibility of Professionalization of Primary-School Teachers in Bangladesh: An analysis of the actors and factors. Bergen: University of Bergen/Department of Administration and Organization Theory.

Rafique, Abdur (1994a) A Case Study on Innovative Strategies of the Bangladesh TVET System to Cope with the Changing National Labour Market Demand. Dhaka: UNESCO/UNEVOC.

Rafique, Abdur (1994b) The Development of Technical and Vocational Education in Bangladesh: A Case Study in Quality Improvement. Melbourne: UNESCO.

Rafique, Abdur (1998) The Study on Articulation of Vocational, Technical and General Education Programmes as a Means of Providing Opportunities to the Secondary School Graduates to Acquire Employable Skills and Academic Excellence. Dhaka: UNESCO/Centre for Occupational Research and Education.

Rahman, Atiur et al. (2005) *A Critique of Bangladesh's Draft Final PRSP: Disregarded Issues and Imperatives*. Dhaka: Shamunnay. Retrieved August 13, 2009 from http://www.shamunnaybd.org/shamunnay/index.php?option=com _docman& task=doc_download&gid=16&Itemid=.

Rahman, Rushidan Islam (2001) "Industrialization in a Labour Surplus Economy: The Apparel Sector in Bangladesh." In *Growth of Garment Industry in Bangladesh: Economic and Social Dimensions*, eds. P. Paul-Majumder and B. Sen. Dhaka: Bangladesh Institute of Development Studies/Oxfam, pp. 27-44.

Rahman, Rushidan Islam (2002) "Skill Development in Bangladesh: Responses to Globalisation." In *Bangladesh: Economic and Social Challenges of Globalisation*, eds. M. Muqtada, A. M. Singh and M. A. Rashid. Dhaka: ILO Area Office, pp. 83-114.

Rahman, Rushidan Islam (2003) "The Dynamics of the Labour Market in Bangladesh and the Prospects of Economic Development Based on Surplus Labour." In *Employment and Labour Market Dynamics*, ed. R. Sobhan. Dhaka: University Press, pp. 205-227.

Ramaswamy, K.V. and Gereffi, Gary (2000) "India's apparel exports: the challenge of global markets." *The Developing Economies* 38 (2), pp. 186-210.

Ranaraja, Shyamali (2005) "Labour Market Reforms." In *Economic Reforms in Sri Lanka: Post-1977 Period*, ed. M. Sarvananthan. Colombo: International Centre for Ethnic Studies, pp. 180-241.

Ratwatte, Charita J. (1987) *Skills Development*. Colombo: Youth Services Press.

Redding, Stephen (1996) "The Low-Skill, Low-Quality Trap: Strategic Complementarities between Human Capital and R & D." *The Economic Journal* 106 (435), pp. 458-470.

Resnik, Julia (2006) "International Organizations, the “Education–Economic Growth” Black Box, and the Development of World Education Culture." *Comparative Education Review* 50 (2), pp. 173-195.

Reza, Sadrel et al. (1987) *Private Foreign Investment in Bangladesh*. Dhaka: University Press.

Rezel, Kris (1980) "Export quotas for garment to be distributed soon." In *Daily News* (Sri Lanka), January 12, p. 1.

Riaz, Ali (2005) "Traditional Institutions as Tools of Political Islam in Bangladesh." *Journal of Asian and African Studies* 40 (3), pp. 171-196.

Riaz, Ali (2006) "Bangladesh in 2005: Standing at a Crossroads." *Asian Survey* 46 (1), pp. 107-113.

Riboud, Michelle et al. (2007) *The Knowledge Economy and Education and Training in South Asia*. Washington DC: World Bank. Retrieved August 13, 2009 from http://siteresources.worldbank.org/INTINDIA/2132853-1191444019328/21497956/TheKnowledgeEconomyandEducationinSouthAsia.pdf.

Richards, Peter (2002) *Towards an employment strategy framework for Sri Lanka*. Geneva: International Labour Organization.

Richards, Peter and Goonaratne, Wilbert (1980) *Basic Needs, Poverty and Government in Sri Lanka*. Geneva: International Labour Organization.

Richards, Peter J. (1994) "Issues in manpower analysis." In *New approaches to manpower planning and analysis*, eds. P. J. Richards and R. Amjad. Geneva: International Labour Organization, pp. 1-14.

Ritchie, Bryan K. (2001) The Political Economy of Technical Intellectual Capital Formation in Southeast Asia. Atlanta: Emory University.

Roberts, Michael (1998) "Nationalism in Economic and Social Thought: 1915-1945." In *Collective Identities Revisited*, ed. M. Roberts. Colombo: Marga Institute, pp. 29-60.

Robertson, Susan L. (2005) "Re-imagining and rescripting the future of education: global knowledge economy discourses and the challenge to education systems." *Comparative Education* 41 (2), pp. 151-170.

Rodrigo, Chandra (1993) "Structural Reform and the Labour Market 1977-1992: Sri Lanka Case Study." In *Social Dimensions of Economic Reforms in Asia*, ed. R. Islam. New Delhi: International Labour Organization, pp. 215-270.

Roldán-Vera, Eugenia and Caruso, Marcelo (2007) "Introduction: Avoiding the National, Assessing the Modern." In Imported Modernity in Post-Colonial State Formation: The Appropriation of Political, Educational and Cultural Models in Nineteenth-Century Latin America, eds. E. R. Vera and M. Caruso. Frankfurt a.M.: Peter Lang, pp. 7-28.

Rossbach, Volker (2006) Mission Report Strengthening of the National Institute of Textile Training, Research and Design (NITTRAD), in particular in respect of Dyeing/Printing/Finishing. Project: EU/BGD/05/A02 (Quality Support Programme) - Textile/RMG Component. Dhaka: UNIDO.

Roy, Tirthankar (2002a) "Acceptance of Innovations in Early Twentieth-Century Indian Weaving." *The Economic History Review* 55 (3), pp. 507-532.

Roy, Tirthankar (2002b) "Economic history and modern India: redefining the link." *Journal of Economic Perspectives* 16 (3), pp. 109–130.

Rubery, Jill (1994) "The British production regime: a societal-specific system?" *Economy and Society* 23 (3), pp. 335 - 354.

Ryant, Carl (1988) "Oral History and Business History." *The Journal of American History* 75 (2), pp. 560-566.

Saha, Sanat Kumar (2003) "The political economy of the labour market in Bangladesh." In *Employment and Labour Market Dynamics*, ed. R. Sobhan. Dhaka: University Press, pp. 169-204.

Saheed, Hassen (2002) "Prospects for the Textile and Apparel Industry in Sri Lanka." *Textile Outlook International* 102, pp. 10-43.

Saheed, Hassen (2003) "Prospects of the Textile and Apparel Industry in Bangladesh." *Textile Outlook International* 106, pp. 151-182.

Salih, Rozana (2001) A Review of the Current Labour Market Situation, Policy and Programs in Sri Lanka (Prepared for ILO/Japan Tripartite Regional Meeting on Youth Employment in Asia and the Pacific Bangkok, 27 February - 1 March 2002). Cambridge: University of Cambridge/ILO.

Samaraweera, Dilshani (2007) "US-Sri Lanka Fulbright scholarships for garment industry." In *Financial Times* (Sri Lanka), December 23, p. 30.

Sangmpam, S.N. (2007) "Politics Rules: The False Primacy of Institutions in Developing Countries." *Political Studies* 55 (1), pp. 201-224.

Sarvananthan, Muttukrishna (2005a) "Introduction." In *Economic Reforms in Sri Lanka: Post-1977 Period*, ed. M. Sarvananthan. Colombo: International Centre for Ethnic Studies, pp. 1-23.

Sarvananthan, Muttukrishna (2005b) "Macroeconomic Overview." In *Economic Reforms in Sri Lanka: Post-1977 Period*, ed. M. Sarvananthan. Colombo: International Centre for Ethnic Studies, pp. 24-66.

Sattar Mandal, M.A. (2003) "Rural non-farm activities: diversity and implications for rural labour market in Bangladesh." In *Employment and Labour Market Dynamics*, ed. R. Sobhan. Dhaka: University Press, pp. 229-250.

Sayem, Abu Sadat Muhammed et al. (2007) *Impact of Removing EU Safeguard Measure Against China on the Knitwear Export of Bangladesh and other LDCs after 2007*. Dhaka: Institute of Apparel Research and Technology/Bangladesh Knitwear Manufacturers and Exporters Association.

Schickler, Eric (2001) Disjointed pluralism: Institutional Innovation and the Development of the U.S. Congress. Princeton: Princeton University Press.

Schimank, Uwe (2004) "Der akteurzentrierte Institutionalismus." In *Paradigmen der akteurzentrierten Soziologie*, ed. M. Gabriel. Wiesbaden: VS Verlag für Sozialwissenschaften, pp. 289-301.

Schneider, Ben Ross and Maxfield, Sylvia (1997) "Business, the State, and Economic Performance in Developing Countries." In *Business and the State in Developing Countries*, eds. S. Maxfield and B. R. Schneider. Ithaca/London: Cornell University Press, pp. 3-35.

Schriewer, Jürgen (1987) "Funktionssymbiosen von Überschneidungsbereichen: Systemtheoretische Konstrukte in der vergleichenden Erziehungsforschung." In *Pädagogik, Erziehungswissenschaft, Systemtheorie*, eds. J. Oelkers and H.-E. Tenorth. Weinheim/Basel: Beltz, pp. 76-101.

Schriewer, Jürgen (1999) "Vergleich und Erklärung zwischen Kausalität und Komplexität." In *Diskurse und Entwicklungspfade: Der Gesellschaftsvergleich in den Geschichts- und Sozialwissenschaften*, eds. H. Kaelble and J. Schriewer. Frankfurt a.M./New York: Campus, pp. 53-102.

Schriewer, Jürgen (2000) "World System and Interrelationship Networks: The Internalization of Education and the Role of Comparative Inquiry." In *Educational Knowledge: changing relationships between the state, civil society, and the educational community*, ed. T. S. Popkewitz. New York: University of New York Press, pp. 305-342.

Schriewer, Jürgen (2004) "Multiple Internationalities: The Emergence of a World-Level Ideology and the Persistence of Idiosyncratic World-Views." In *Transna-*

tional Intellectual Networks: Forms of Academic Knowledge and the Search for Cultural Identities, eds. C. Charle, J. Schriewer and P. Wagner. Frankfurt a.M.: Campus, pp. 473-533.

Schultz, Helen B. (2001a) "Induction and staffing decisions." In *Human Resources Management*, eds. P. S. Nel, P. S. Van Dyk, G. D. Haasbroek, H. B. Schultz, T. J. Sono and A. Werner. Cape Town: Oxford University Press, pp. 250-266.

Schultz, Helen B. (2001b) "Job analysis." In *Human Resources Management*, eds. P. S. Nel, P. S. Van Dyk, G. D. Haasbroek, H. B. Schultz, T. J. Sono and A. Werner. Cape Town: Oxford University Press, pp. 189-211.

Schultz, Helen B. (2001c) "Workforce planning and recruitment." In *Human Resources Management*, eds. P. S. Nel, P. S. Van Dyk, G. D. Haasbroek, H. B. Schultz, T. J. Sono and A. Werner. Cape Town: Oxford University Press, pp. 212-230.

Schultz, Theodore W. (1961) "Investment in human capital." *American Economic Review* 51 (March), pp. 1-17.

Schütze, Fritz et al. (1981) "Grundlagentheoretische Voraussetzungen methodisch kontrollierten Fremdverstehens." In *Alltagswissen, Interaktion und gesellschaftliche Wirklichkeit*, ed. Arbeitsgruppe Bielefelder Soziologen. Opladen: Leske und Budrich, pp. 433-529.

Scott, John and Marshall, Gordon (2009a) "Neo-classical economics." In *A Dictionary of Sociology*, eds. J. Scott and G. Marshall. Oxford: Oxford University Press, p. 507.

Scott, John and Marshall, Gordon (2009b) "Political economy." In *A Dictionary of Sociology*, eds. J. Scott and G. Marshall. Oxford: Oxford University Press, pp. 572-573.

SEBA Limited and Ministry of Labour and Employment (2007) Salient Features of the Bangladesh Labour Law 2006 Related to the RMG Sector. Dhaka: GTZ.

Senewiratne, Hiran H. (2009) "Dolphin Marine Lanka obtains licences." In *Daily News* (Sri Lanka), May 28, p. 30.

Sengenberger, Werner (2002) Globalization and Social Progress: The Role and Impact of International Labour Standards. Bonn: Friedrich Ebert Stiftung.

Shastri, Amita (2002) "Sri Lanka in 2001: Year of Reversals." *Asian Survey* 42 (1), pp. 177-182.

Shastri, Amita (2004) "The United National Party of Sri Lanka: Reproducing Hegemony." In *Political Parties in South Asia*, eds. S. K. Mitra, M. Enskat and C. Spiess. Westport: Greenwood, pp. 236-258.

Shaw, Kathleen M. and London, Howard B. (2001) "Culture and Ideology in Keeping Transfer Commitment: Three Community Colleges." *The Review of Higher Education* 25 (1), pp. 91-114.

Shawkat Ali, A.M.M. (2004) Bangladesh Civil Service: A Political-Administrative Perspective. Dhaka: University Press.

Shawkat Ali, A.M.M. (2006) "EPZ magnetism - a search for best practice." In *Daily Star* (Bangladesh), February 16, p. 28.

Siddiqi, Hafiz G.A. (2005) *The Readymade Garment Industry of Bangladesh*. Dhaka: University Press.

Siddiqi, M.M.R. (1995) *National Profiles in Technical and Vocational Education in Asia and the Pacific: Bangladesh*. Bangkok: UNESCO Principal Regional Office for Asia and the Pacific.

Silova, Iveta (2005) "Travelling Policies: Hijacked in Central Asia." *European Educational Research Journal* 4 (1), pp. 50-59.

Singh, Madhu (2001) "Reflections on Colonial Legacy and Dependency in Indian Vocational Education and Training (VET): a societal and cultural perspective." *Journal of Education and Work* 14 (2), pp. 209-225.

Smelser, Neil J. (1985) "Evaluating the Model of Structural Differentiation in Relation to Educational Change in the Nineteenth Century." In *Neofunctionalism*, ed. J. C. Alexander. Beverly Hills: Sage, pp. 113-129.

Sobhan, Rehman (1990) The development of the private sector in Bangladesh: a review of the evolution and outcome of state policy. Dhaka: Bangladesh Institute of Development Studies.

Sobhan, Rehman (1993) *Bangladesh: Problems of Governance*. Dhaka: University Press.

Sobhan, Rehman (2002a) "Bangladesh's Political Economy in an Age of Globalisation." In *Bangladesh Facing the Challenges of Globalisation*, ed. R. Sobhan. Dhaka: University Press, pp. 121-142.

Sobhan, Rehman (2002b) "The Political Economy of the State and Market in Bangladesh." *Bangladesh Journal of Political Economy* 17 (2), pp. 19-33.

Sobhan, Rehman (2004) "The political economy of aid." In *Revisiting Foreign Aid*, ed. R. Sobhan. Dhaka: University Press, pp. 139-168.

Sobhan, Rehman (2005) "Privatisation in Bangladesh: An Agenda in Search of a Policy." In *Privatisation in Bangladesh: An Agenda in Search of a Policy*, ed. R. Sobhan. Dhaka: Centre for Policy Dialogue/University Press, pp. 3-34.

Sobhan, Rehman and Bhattacharya, Debapriya (1988) *Private foreign investment in Bangladesh*. Dhaka: Bangladesh Institute of Development Studies.

Söderbom, Maans et al. (2006) "The Dynamics of Returns to Education in Kenyan and Tanzanian Manufacturing." *Oxford Bulletin of Economics & Statistics* 68 (3), pp. 261-288.

Soskice, David (1994) "Reconciling Markets and Institutions: The German Apprenticeship System." In *Training and the private sector: international comparisons*, ed. L. M. Lynch. Chicago: University of Chicago Press, pp. 25-60.

Spence, A. Michael (1973) "Job Market Signalling." *Quarterly Journal of Economics* 87 (3), pp. 355-374.

Sri Lanka Apparel Exporters Association (2007) *25th Anniversary (Presentation at the Annual General Meeting held on November 13 in Colombo)*. Colombo: Sri Lanka Apparel Exporters Association.

Sri Lanka Apparel (2008). *Garments without Guilt*. Colombo: Joint Apparel Association Forum. Retrieved August 13, 2009 from http://www.garmentswithoutguilt.com/.

Sri Lanka Chamber of Garment Exporters (1993) "Annual General Meeting." In *Daily News* (Sri Lanka), December 17, p. 19.

Sri Nissanka, Jayantha (1999) "50 Garment Factories Program: 34 factories commence operations." In *Daily News* (Sri Lanka), August 27, p. 1.

Staff Correspondent (2008) "RMG workers again fight with cops at Mirpur: 100 hurt." In *Daily Star* (Bangladesh), January 15, p. 1.

Star Business (2009) "Ananda to export its eighth ship." In *Daily Star* (Bangladesh), May 8, p. 7.

Steedman, Hilary (2008) "Adapting to Globalised Product and Labour Markets: New Models for Apprenticeship in Europe." In *Work, education and employability*, eds. P. Gonon, K. Kraus, J. Oelkers and S. Stolz. Bern: Peter Lang, pp. 147-167.

Steiner-Khamsi, Gita (2005) "Vouchers for Teacher Education (Non) Reform in Mongolia: Transitional, Postsocialist, or Antisocialist Explanations?" *Comparative Education Review* 49 (2), pp. 148-172.

Steiner-Khamsi, Gita and Quist, Hubert O. (2000) "The Politics of Educational Borrowing: Reopening the Case of Achimota in British Ghana." *Comparative Education Review* 44 (3), pp. 272-299.

Steiner-Khamsi, Gita, ed. (2004) *The Global Politics of Educational Borrowing and Lending*. New York/London: Teachers College Press.

Stern, Robert W. (2001) Democracy and dictatorship in South Asia: dominant classes and political outcomes in India, Pakistan, and Bangladesh. Westport: Praeger.

Stinchcombe, Arthur L. (1968) *Constructing social theories*. New York: Harcourt, Brace and World.

Stirrat, Cock (2006) "Competitive humanitarianism: Relief and the tsunami in Sri Lanka." *Anthropology Today* 22 (5), pp. 11-16.

Streeck, Wolfgang (1991) "On the institutional conditions of diversified quality production." In *Beyond Keynesianism: The Socio-Economics of Production and Full Employment*, eds. E. Matzner and W. Streeck. Cheltenham: Edward Elgar, pp. 12–61.

Streeck, Wolfgang and Thelen, Kathleen (2005) "Introduction." In *Beyond continuity: institutional change in advanced political economies*, eds. W. Streeck and K. Thelen. Oxford: Oxford Univerity Press, pp. 1-39.

Stuart-Smith, Keith and Shefali, Mashuda Kathun (2003) *Study Report on Post-MFA Strategy for the RMG Workers in Bangladesh*. Dhaka: Nari Uddug Kendra.

Sub-Department of Textile Technology (1979) Details of NDT courses in Textile Technology at University of Moratuwa (UNDP UNESCO project n. SRL/74/072/4/10/13). Moratuwa: University of Moratuwa.

Sunday Observer (2003) "Top award for apparel marketing programme." In *Sunday Observer* (Sri Lanka), January 12, p. 3.

Sunday Observer (2007) "Program to improve productivity in apparel industry." In *Sunday Observer* (Sri Lanka), May 13, p. 3.

Sunday Times (1994) "Protest cry from exporters: Garment quotas hit by political interference." In *Sunday Times* (Sri Lanka), May 15, p. 4.

Sunday Times (2007) "Global experts at Colombo textile conference." In *Sunday Times* (Sri Lanka), February 11, p. 5.

Sunday Times (2008) "CIMA suspends Sri Lanka branch." In *Sunday Times* (Sri Lanka), December 14, p. 9.

Syeduzzaman, M. (1995) "The Evolving Planning Format in Bangladesh." *Bangladesh Journal of Political Economy* (Bangladesh) 13 (2), pp. 263-272.

Syeduzzaman, M. (2004) "Aid and policy reforms in Bangladesh." In *Revisiting Foreign Aid*, ed. R. Sobhan. Dhaka: University Press, pp. 295-350.

Tabulawa, Richard (2003) "International Aid Agencies, Learner-centred Pedagogy and Political Democratisation: a Critique." *Comparative Education* 39 (1), pp. 7-26.

Tampoe, Bala (2001) Freedom of Association and Collective Bargaining in Sri Lanka: Law & Practice - Problems and Prospects from Workers' Perspective (Paper prepared for the ILO Area Office, Colombo, and presented at the ILO National Tripar-

tite Workshop on Implementation of Conventions 87 & 98 held in Colombo on 18-21 January). Colombo: ILO Area Office.

Taplin, Ian M. et al. (2003) "Understanding Labour Turnover in a Labour Intensive Industry: Evidence from the British Clothing Industry." *Journal of Management Studies* 40 (4), pp. 1021-1046.

te Velde, Dirk Willem (2002) Government policies towards inward foreign direct investment in developing countries: Implications for human capital formation and income inequality. Paris: OECD Development Centre. Retrieved August 13, 2009 from http://www.oecd.org/dataoecd/51/43/2698620.pdf.

Technical Training Centre Bogra (2007) *Garments machine operator (woven) course: Course Outline*. Bogra: Technical Training Centre.

Tertiary and Vocational Education Commission (1992) *Directory of Tertiary and Vocational Training Institutes in Sri Lanka as at September 1992*. Colombo: Tertiary and Vocational Education Commission.

Tertiary and Vocational Education Commission (1999) *Vocational Education and Training Plan: Textile and Garment Industry*. Colombo: Tertiary and Vocational Education Commission.

Tertiary and Vocational Education Commission (2002) *Vocational Education and Training Plan for the Garment Industry*. Colombo: Tertiary and Vocational Education Commission.

Tertiary and Vocational Education Commission (2004) *Directory of Registered Tertiary and Vocational Education and Training (TVET) Institutions 2004*. Colombo: Tertiary and Vocational Education Commission.

Tertiary and Vocational Education Commission (2005) *National Vocational Qualifications Framework of Sri Lanka: Operations Manual*. Colombo: Ministry of Skills Development, Vocational and Technical Education.

Tertiary and Vocational Education Commission (2007a) *Annual Report 2006*. Colombo: Tertiary and Vocational Education Commission.

Tertiary and Vocational Education Commission (2007b) *Vocational Education and Training Plan 2007 for Garment Industry*. Colombo: Tertiary and Vocational Education Commission.

Tertiary and Vocational Education Commission (2008) *Training Performance of private training providers catering to the garment industry during year 2007*. Colombo: Tertiary and Vocational Education Commission.

Teulings, Coen and van Rens, Thijs (2008) "Education, growth, and income inequality." *The Review of Economics and Statistics* 90 (1), pp. 89-104.

The Morning Leader (2009) "Apparel to take 10-15% hit." In *The Morning Leader* (Sri Lanka), January 21, p. 7.

Thelen, Kathleen (1999) "Historical Institutionalism in Comparative Politics." *Annual Review of Political Science* 2 (1), pp. 369-404.

Thelen, Kathleen (2002) "The Explanatory Power of Historical Institutionalism." In *Akteure, Mechanismen, Modelle: Zur Theoriefähigkeit makro-sozialer Analysen*, ed. R. Mayntz. Frankfurt a.M.: Campus, pp. 91-107.

Thelen, Kathleen (2003) "How Institutions Evolve: Insights from Comparative Historical Analysis." In *Comparative historical analysis in the social sciences*, eds. J. Mahoney and D. Rueschemeyer. Cambridge: Cambridge University Press, pp. 208-240.

Thelen, Kathleen (2004) How institutions evolve: the political economy of skills in Germany, Britain, the United States, and Japan. Cambridge: Cambridge University Press.

Thelen, Kathleen and Busemeyer, Marius R. (2007) Contemporary Trends in German Vocational Training (Paper presented at the Workshop „Asset Specificity and Skill Regimes: Concepts and Implications" held in Cologne on November 9-10). Cologne: Max Planck Institute for the Study of Societies.

Thelen, Kathleen and Kume, Ikuo (1999) "The Rise of Nonmarket Training Regimes: Germany and Japan Compared." *Journal of Japanese Studies* 25 (1), pp. 33-64.

Thompson, Paul (2000) *The voice of the past: oral history*. Oxford: Oxford University Press.

Thomson, Alistair (1998) "Fifty Years On: An International Perspective on Oral History." *The Journal of American History* 85 (2), pp. 581-595.

Tikly, Leon (2001) "Globalisation and Education in the Postcolonial World: towards a conceptual framework." *Comparative Education* 37 (4), pp. 151-171.

Tikly, Leon (2004) "Education and the new imperialism." *Comparative Education* 40 (2), pp. 173-198.

Tilak, Jandhyala B. G. (1988) "Vocational education in South Asia: Problems and prospects." *International Review of Education* 34 (2), pp. 244-257.

Titumir, Rashed Al Mahmud (2005) "Skills Formation for the Informal Sector in Bangladesh: A Strategic Framework." In *Meeting Basic Learning Needs in the Informal Sector*, ed. M. Singh. Delhi: Springer, pp. 133-154.

Tonkin, Elizabeth (1995) *Narrating our pasts: the social construction of oral history*. Cambridge: Cambridge University Press.

Transparency International (2008) *Annual Report 2007*. Berlin: Transparency International. Retrieved August 13, 2009 from http://www.transparency.org/content/download/33964/529096/.

Trinczek, Rainer (2002) "Wie befrage ich Manager? Methodische und methodologische Aspekte der Experteninterviews als qualitativer Methode empirischer Sozialforschung." In *Das Experteninterview. Theorie, Methode, Anwendung*, eds. A. Bogner, B. Littig and W. Menz. Opladen: Leske und Budrich, pp. 209-222.

Tyson, Thomas (1996) "A past as participants knew it: piece rates, time study, standard costs, and new technology in the U.S. men's tailored clothing industry." *Management Accounting Research* 7 (3), pp. 321-346.

UNESCO Regional Office for Education in Asia and the Pacific (1984) *Technical and vocational education country studies: India*. Bangkok: UNESCO.

UNEVOC (1996) Case Studies on Technical and Vocational Education in Asia and Pacific: Malaysia. Bangkok: ACEID/UNESCO.

United Nations Conference on Trade and Development (2005) *TNCs and the Removal of Textiles and Clothing Quotas*. Geneva: UNCTAD. Retrieved August 13, 2009 from http://www.unctad.org/en/docs/iteiia20051_en.pdf.

United Nations Development Programme (2005) *Human Development Report*. New York: UNDP. Retrieved August 13, 2009 from http://hdr.undp.org/en/media/HDR05_complete.pdf.

United Nations Development Programme and International Labour Organization (1986) *Strengthening the Ready-to-Wear Garment Export Industry of Bangladesh*. Dhaka: United Nations Development Programme.

United Nations Industrial Development Organization (2004) *Bangladesh Quality Support Programme: An EU Funded Programme*. Dhaka: UNIDO.

United Nations Industrial Development Organization (2007) Needs Assessment Survey for Strengthening Bangladesh Primary Textile and RMG Industry: Training, Research, Design, Testing and Consultancy Needs. Dhaka: UNIDO.

University Grants Commission (1991) *Annual Report of the University Grants Commission 1990/91*. Colombo: University Grants Commission.

University Grants Commission (2001) *Annual Report of the University Grants Commission 2000/2001*. Colombo: University Grants Commission.

University Grants Commission (2005) Launching of New Initiatives 2005: Education for Economic Development and Prosperity. Colombo: University Grants Commission.

University Grants Commission (2006a) Admission to Undergraduate Courses of the Universities in Sri Lanka: Academic Year 2005/2006. Colombo: University Grants Commission.

University Grants Commission (2006b) *Annual Report of the University Grants Commission 2005/2006*. Colombo: University Grants Commission.

University Grants Commission (2008) Admission to Undergraduate Courses of the Universities in Sri Lanka: Academic Year 2008/2009. Colombo: University Grants Commission.

University of Moratuwa (1984) *Student Handbook 1984*. Moratuwa: University of Moratuwa.

University of Moratuwa (1985) Corporate Plan 1984-1988: Approval in Principle Memoranda for Capital Projects and Equipment. Moratuwa: University of Moratuwa.

University of Moratuwa (1986) Project Proposal for ODA-Assistance to Establish Degree Courses in Textile Technology. Moratuwa: University of Moratuwa.

University of Moratuwa (1988) *Student Handbook 1988*. Moratuwa: University of Moratuwa.

University of Moratuwa (1992) "200 garment factory programme: Short courses for the garment industry." In *Daily News* (Sri Lanka), November 6, p. 1.

University of Moratuwa (1993) *Annual Report 1992*. Moratuwa: University of Moratuwa.

University of Moratuwa (1997) *University of Moratuwa: History 1972-1997*. Moratuwa: University of Moratuwa.

University of Moratuwa (2000) *Annual Report 1999*. Moratuwa: University of Moratuwa.

University of Sri Lanka (1974) *Katubedde Campus: Prospectus*. Colombo: University of Colombo.

Unknown author (2007a) Project Proposal for Skill Development in the Vocational Training Center of the Ministry of Youth Development. Dhaka: BGMEA Institute of Fashion and Technology.

Unknown author (2007b) Report on organizing skill development for the RMG Sector in Bangladesh German Technical Training Center (BGTTC). Dhaka: BGMEA Institute of Fashion and Technology.

Unknown author (2007c) Skill Development Programme in Bangladesh for the RMG and Textile sector using ANSAR VDP Facilities. Dhaka: BGMEA Institute of Fashion and Technology.

Van Der Ploeg, Sjerp (1994) "Educational expansion and returns on credentials." *European Sociological Review* 10 (1), pp. 63-78.

Vardi, Liana (1993) The land and the loom: peasants and profit in northern France, 1680-1800. Durham/London: Duke University Press.

Vardigans, Stephen and Huda, Mirza Najmul (1999) *Improving Skills for Employment: Stage 1 (Draft Report)*. Dhaka: Department for International Development Bangladesh.

Vittachi, Nedra (1990) "Chandra crusades for designer degrees." In *Daily News* (Sri Lanka), June 7, p. 13.

Vocational Training Authority (1998a) *Quality Controller: Course Content and Trainer Guide*. Colombo: Vocational Training Authority.

Vocational Training Authority (1998b) *Skill Standard for Industrial Sewing Machine Mechanic*. Colombo: Vocational Training Authority.

Vocational Training Authority (1998c) *Skill Standard for Industrial Sewing Machine Operator (in Singhalese)*. Colombo: Vocational Training Authority.

Vocational Training Authority (1998d) *Skill Standard Occupation for Pattern Maker (in Singhalese)*. Colombo: Vocational Training Authority.

Vocational Training Authority (2006a) *Our strength*. Colombo: Vocational Training Authority.

Vocational Training Authority (2006b) *Trainee Statistics Garment Sector - 2005*. Colombo: Vocational Training Authority.

Vocational Training Authority (2006c) *Training Plan 2007*. Colombo: Vocational Training Authority.

Vocational Training Authority (2007) *Trainee Statistics Garment Sector - 2006*. Colombo: Vocational Training Authority.

Vocational Training Authority (2008) *Trainee Statistics Garment Sector - 2007*. Colombo: Vocational Training Authority.

Waidyanatha, W.G.S. (1980) "Textile Industry in Sri Lanka." *Economic Review* (Sri Lanka) 6 (2), pp. 29-45.

Walter, Thomas (2006) *Der Bologna-Prozess: Ein Wendepunkt europäischer Hochschulpolitik?* Wiesbaden: VS Verlag für Sozialwissenschaften.

Wanasinghe, J. (1989) An Inquiry ino the Student Drop-Out from the Courses Conducted by the Open University of Sri Lanka. Nugegoda: Open University.

Wanasinghe, Sydney (1994) *Activating the administrative reform process in Sri Lanka*. Colombo: Institute of Policy Studies.

Warushamana, Gamini (2005) "Following MFA phase out: Fifteen garment factories close, 3000 lose jobs." In *Observer* (Sri Lanka), December 18, p. 41.

Watson, Keith (1994) "Technical and Vocational Education in Developing Countries: Western Paradigms and Comparative Methodology." *Comparative Education* 30 (2), pp. 85-97.

Weerakoon, Dushni and Wijayasiri, Janaka (2004) "WTO Agreement on Textiles and Clothing: Implications for the Garment Industry." In *Ready-Made Garment Industry in Sri Lanka: Facing the Global Challenge*, ed. S. Kelegama. Colombo: Institute of Policy Studies, pp. 251-267.

Weerasekara, Poornima (2005) "Sri Lanka to become ethical apparel sourcing destination." In *Financial Times* (Sri Lanka), December 19, p. 3.

Wengraf, Tom (2001) Qualitative research interviewing: biographic narrative and semi-structured methods. London: Sage.

Western Express (1999) "CITI produces more qualified trainees in the clothing sector." In *Western Express* (Sri Lanka), March 27, p. 9.

White, Sarah C. (1999) "NGOs, civil society, and the state in Bangladesh: The politics of representing the poor." *Development and Change* 30 (2), pp. 307-326.

Wickramasinghe, Nira (2003) Dressing the colonised body: politics, clothing, and identity in Sri Lanka. Hyderabad: Orient Blackswan.

Wickramasinghe, Nira (2008) "Sri Lanka in 2007: Military Successes, but at Humanitarian and Economic Costs." *Asian Survey* 48 (1), pp. 191-197.

Wickramasinghe, Nira (2009) "Sri Lanka in 2008: Waging war for peace." *Asian Survey* 49 (1), pp. 59-65.

Wijayasiri, Janaka and Dissanayake, Jagath (2008) *The Ending of the Multi-Fibre Agreement and Innovation in Sri Lankan Textile and Clothing Industry*. Paris: Organisation for Economic Cooperation and Development. Retrieved August 13, 2009 from http://lysander.sourceoecd.org/vl=2006502/cl=30/nw=1/rpsv/cgi-bin/wppdf?file=5kzfxw513qkf.pdf.

Wijekoon, U.B. (1990) "A viable garment industry: a vital need." In *Observer* (Sri Lanka), April 22, p. 10.

Wijenayake, S.P. (1981) "Training for the Greater Colombo Economic Commission." In *Apprenticeship in Sri Lanka*, ed. National Apprenticeship Board. Colombo: National Apprenticeship Board, pp. 95-104.

Wijesekare, Nalin (1991) "Garment industry short of trained personnel." In *Island* (Sri Lanka), September 18, p. 9.

Wilber, Charles K. (1979) The political economy of development and underdevelopment. New York: Random House.

Wilde, John Peter (2003) "Introduction." In *The Cambridge History of Western Textiles*, ed. D. Jenkins. Cambridge: Cambridge University Press, pp. 9-29.

Willis, Katie (2006) "Interviewing." In *Doing development research*, eds. V. Desai and R. B. Potter. London: Sage, pp. 144-152.

Wilson, A. Jeyaratnam (1979) *Politics in Sri Lanka: 1947-1979*. London: Macmillan.

Wolf, Alison (1995) "Vocational qualifications in Europe: the emergence of common assessment themes." In *Youth, Education and Work*, eds. L. Bash and A. Green. London/Philadelphia: Kogan Page, pp. 137-148.

Wood, Adrian (1994) North-South trade, employment and inequality: changing fortunes in a skill-driven world. Oxford: Clarendon Press.

World Bank (1974) *Education Sector Working Paper*. Washington DC: World Bank.

World Bank (1980) *Education Sector Policy Paper*. Washington DC: World Bank.

World Bank (1986) Staff Appraisal Report: Sri Lanka Second Vocational Training Project. Washington: World Bank.

World Bank (1990a) Bangladesh: Vocational and Technical Education Review. Washington DC: World Bank.

World Bank (1990b) Project Completion Report: Bangladesh First Vocational Training Project (Report No. 8354). Washington DC: World Bank.

World Bank (1991) Vocational and Technical Education and Training: A World Bank Policy Paper. Washington DC: World Bank.

World Bank (1992) *Governance and Development*. Washinton DC: World Bank.

World Bank (1993) World Bank Sri Lanka Tertiary and Vocational Training Reform Project. Washington DC: World Bank.

World Bank (1995) Priorities and Strategies for Education: A World Bank Review. Washington DC: World Bank.

World Bank (1999) *Education Sector Strategy*. Washington DC: World Bank.

World Bank (2000a) *Bangladesh Education Sector Review*. Vol. 1. Dhaka: University Press.

World Bank (2000b) *Bangladesh Education Sector Review*. Vol. 2. Dhaka: University Press.

World Bank (2000c) *Bangladesh Education Sector Review*. Vol. 3. Dhaka: University Press.

World Bank (2000d) *Sri Lanka. Recapturing Missed Opportunities*. Washington DC: World Bank.

World Bank (2003) Project Appraisal Document on a Proposed Credit in the Amount of SRD 29.6. Million (US$40.3 Million Equivalent) to the Democratic Socialist Republic of Sri Lanka for Improving Relevance and Quality of Undergraduate Education. Washington DC: World Bank.

World Bank (2004) *Sri Lanka: Development Policy Review*. Colombo: World Bank.

World Bank (2005a) End of MFA Quotas: Key Issues and Strategic Options for Bangladesh's Readymade Garment Industry. Dhaka: World Bank.

World Bank (2005b) Implementation Completion Report (IDA-33290) on a Credit in the Amount of US $ 32.0 Million to Bangladesh for an Export Diversification Project. Washington DC: World Bank.

World Bank (2005c) *Malaysia: Firm Competitiveness, Investment Climate, and Growth*. Washington DC: World Bank. Retrieved August 13, 2009 from http://siteresources.worldbank.org/INTMALAYSIA/Resources/MalaysiaFirmCompetFinalReportNov-2005.pdf.

World Bank (2005d) Treasures of the Education System in Sri Lanka: Restoring Performance, Expanding Opportunities and Enhancing Prospects. Colombo: World Bank.

World Bank (2006a) *Can South Asia end poverty in one generation?* Washington DC: World Bank. Retrieved August 13, 2009 from http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/0,,contentMDK:21050421~pagePK:146736~piPK:146830~theSitePK:223547,00.html.

World Bank (2006b) *Skill Development in India: The Vocational Education and Training System*. Washington DC: World Bank. Retrieved August 13, 2009 from http://info.worldbank.org/etools/docs/library/235724/Skills%20Development%20in%20India%20the%20Vocational%20Education%20and%20Training%20System.pdf.

World Bank (2006c) The Bangladesh Vocational Education and Training System: An Assessment. Washington DC: World Bank.

World Bank (2007) Sri Lanka Development Forum: The Economy, Regional Disparities, and Global Opportunities. Washington DC: World Bank.

World Bank (2008a) *Education at a Glance: Bangladesh*. Washington DC: World Bank. Retrieved August 13, 2009 from http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTEDUCATION/0,,contentMDK:20573961~menuPK:282404~pagePK:148956~piPK:216618~theSitePK:282386,00.html

World Bank (2008b) *Education for All in Bangladesh: Where Does Bangladesh Stand in Achieving the EFA Goals by 2015?* Washington DC: World Bank. Retrieved August 13, 2009 from http://siteresources.worldbank.org/INTBANGLADESH/Resources/education24.pdf.

World Bank and Asian Development Bank (2005) *Sri Lanka: Improving the Rural and Urban Investment Climate*. Colombo: World Bank/Asian Development Bank.

World Bank and Enterprise Institute (2003) Improving the Investment Climate in Bangladesh. An Investment Climate Assessment Based on an Enterprise Survey Carried Out by the Bangladesh Enterprise Institute and the World Bank. Dhaka: World Bank/Enterprise Institute.

Yatawara, Ravindra A. (2004) "Labour Producivity Growth and Employment Creation." In *Economic Policy in Sri Lanka: Issues and Debates*, ed. S. Kelegama. New Delhi: Sage, pp. 255-272.

Yusuf, Fazlul Hassan (1985) *Nationalisation of Industries in Bangladesh*. Dhaka: National Institute of Local Government.

Zafarullah, Habib Mohammad (1987) "Public Administration in the First Decade of Bangladesh: Some Observations on Developments and Trends." *Asian Survey* 27 (4), pp. 459-476.

Zaheer, Hasan (1994) The separation of East Pakistan: the rise and realization of Bengali Muslim Nationalism. Karachi: Oxford University Press.

Zohir, Salma Chaudhuri (2001a) "Social Dimensions of the Growth of Garment Industry in Bangladesh: 1990-1997." In *Growth of Garment Industry in Bangladesh: Economic and Social Dimensions*, eds. P. Paul-Majumder and B. Sen. Dhaka: Bangladesh Institute of Development Studies/Oxfam, pp. 76-105.

Zohir, Salma Chaudhuri (2001b) "Social Impact of the Growth of Garment Industry in Bangladesh." *The Bangladesh Development Studies* (Bangladesh) 17 (4), pp. 41-79.